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Great Northern Paper Company

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End of driving
1971



GREAT NORTHERN PAPER COMPANY NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 10

Stamford, Connecticut

December 29, 1971

HAAK ELECTED VICE CHAIRMAN OF GNN: CASEY ASSUMES PRESIDENCY OF GNP

On December 14, Peter S. Paine, chairman of the board of Great Northern Nekoosa Corporation, announced the election of Robert A. Haak as vice-chairman. Previously president of Great Northern Paper Company, Mr. Haak will devote his time principally to marketing. He was elected president of GNP in 1966 after a lifetime career in Great Northern's sales department.

Samuel A. Casey, chief executive of Nekoosa Edwards Paper Company until its merger with Great Northern Paper, will assume the presidency of Great Northern Paper in addition to his present duties as president of the parent corporation.

Mr. Paine, as chairman, will remain chief executive of Great Northern Nekoosa, with Mr. Casey as chief operating officer.

MAINE MUNICIPAL SECURITIES BOARD APPROVES BOND ISSUE APPLICATION

The Environmental Improvement Commission recently reported to the Maine Municipal Securities Approval Board that all licenses necessary for the construction of a clarifier and related pollution abatement facilities at Millinocket have been granted. This notice completed the second of three steps which must be taken before the Town of Millinocket can issue revenue bonds to finance the project estimated to cost no more than \$3,500,000.

The initial step was taken on November 9, 1971 when, at a meeting of the Maine Municipal Securities Approval Board, the Town of Millinocket presented its application to issue the bonds. On November 29, approval of the application was granted authorizing the Town to hold an election to determine whether the voters of Millinocket would also agree to the bond issue.

Frederic C. Morrison, Administrative Assistant and Manager of Townsite, explained that in accordance with the law, matters of this nature must be put to a referendum vote. Prior to the referendum, there must be a public hearing in order to provide the citizens with an opportunity to ask questions concerning the issue.

Millinocket Town Manager A. Kermit
(continued on next page)



Production for the eleven months ended November 30 . . .

Production:	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	643,745	2,076	645,873	2,051
East Millinocket	339,645	1,036	354,352	1,079
Millinocket	279,108	847	297,198	905
	1,262,498	3,959	1,297,423	4,035

Crandall noted the law specifies that 20 percent of the number of people who cast ballots in the last gubernatorial election must vote in the referendum. A majority must favor the issuance of the bonds in order for the municipality to act.

"It is hard to say when the matter will come to a municipal vote," Mr. Morrison remarked, "but I anticipate that the issue will be discussed at an open public meeting around the middle of January. The actual referendum will probably be held towards the end of January."

When Great Northern requested the Town to seek approval of the issuance of the bonds, it became the first industrial corporation in Maine to take advantage of new legislation passed in Augusta last April.

The original legislation, enacted by the Maine State Legislature in 1965, created the Municipal Industrial and Recreational Obligations Act which authorized municipalities to issue revenue bonds for the purpose of acquiring and constructing industrial or recreational projects. Realizing that industries were having difficulty meeting the high cost of pollution abatement projects, the Act was amended during the last session of the Maine Legislature permitting towns to issue bonds to finance the construction or acquisition of industrial pollution control projects.

Great Northern stands to save a considerable amount of money if the bond issue is approved as the interest rate on regular corporate obligations is higher than the interest rate on municipal bonds. The difference results from the fact that the lender does not have to pay income tax on interest he receives from municipal bonds; therefore he is willing to lend this money at a lower interest rate.

Mr. Morrison pointed out that the revenue bonds would not constitute a debt of the Town of Millinocket for purposes of the Constitutional debt limit or for any other purpose.

Taxes would not be affected. The bonds cannot be paid off through taxes. The Town would pay off the bonds and interest from rentals received from Great Northern

* * *

Newsprint Waste. According to a recent report in the Editor & Publisher magazine, the New York News wastes more newsprint, dollar wise, in one year than most newspapers' complete newsprint budget. The News' estimated yearly waste in dollars adds up to some \$2 million or four percent of the paper's yearly newsprint budget of \$60 million. The paper has had a 15 man committee working to reduce the loss but with little success to date.

Digesting the News. This phrase may no longer be just a figure of speech. The Detroit News recently received a packet of edible glucose sugar made from the pages of leading newspapers, including one of the News' own front pages.

The glucose came from the U.S. Army's Natick, Massachusetts laboratories which said its scientists had developed a sugar-making process that uses discarded cellulose, a component of cardboard boxes, bags, newsprint and other wood pulp products. News staffer, Armand Gebert tried the sample. His verdict: "A sugary taste, but not quite as sweet as sugar cane."

Does this mean we soon may be able to sweeten our coffee with an old sports section or even sprinkle the comics over our breakfast cereal?

* * *

Strikes Detrimental to Newsprint Consumption. An estimated 33,000 tons of newsprint were lost to newsprint suppliers in 1971 as a result of the 125-day strike shutdown of both Pittsburgh papers, The Press and The Post-Gazette. The strike ended September 20.

It is estimated that an additional 28,000 tons was eliminated because of the six-month strike at the Newark (N.J.) News.

This lost tonnage would have brought the mills involved a gross revenue of nearly \$10 million.

Newsprint shipments have been resumed in Pittsburgh. It is reported, however, that consumption remains at a low level because circulation is still down as a result of the strike.

* * *

Pollution Poll. People are a little less willing to pay for eliminating any pollution problems caused by newspapers and magazines than they

are for those brought about by detergents and gasoline. This conclusion was reached following a Roper Poll recently conducted on the subject.

About seven out of ten in a national cross-section said they would pay 10 percent more for detergents and gasoline to eliminate the pollution these products cause. Six out of ten would be willing to pay more for newspapers and periodicals if this "turns out to be the only way to eliminate pollution caused by paper mills."

Two out of ten felt that the paper mill problem was "not that serious."

The remaining two questioned were undecided.

* * *

Ad Inserts Volume Increases. National Preprint Corporation predicts the nation's newspapers will realize a 25 percent increase in ad inserts over last year.

Coinciding with this report is the announcement by The New York Times that it will carry a record 121 ad inserts this year, up from 73 in 1970. The Kansas City Star, which runs ads in its editions four days a week, in contrast to most papers which restrict the inserts to Sundays, has recorded a 78 percent increase in such advertising so far this year. The Indianapolis Star reports a rise of about 59 percent in its ad insert volume in the past two years.

The trend has been aided by former direct mail advertisers who have changed their tactics because of postal rate increases and third-class mail delivery delays. Advertisers are also counting on the prestige of the newspaper to rub off on its ad inserts.

With the predicted increase in ad inserts becoming a reality, GNP anticipates new and varied outlets for its Palette+Plus papers.

NORTHERN DIVISION

Highway Proposal Pending. Great Northern and other Maine landowners have voiced their objections to the Aroostook County Commissioners' proposal to take over the existing private road (Realty Road), west of Ashland as a county highway. This position has been taken since the proposal offered by the Commissioners was to take the road without any compensation to the owners.

This action, if granted, would deprive GN of the advantages of an off-highway truck haul route to Ashland and Portage without providing funds for construction of a new parallel private road.

After several years in court, it appears that the county will be made to reimburse the owners for any take-over. It is understood that several sources of funding are now being investigated.

An alternate route, farther north, which does not cross the Allagash Wilderness Waterway has been proposed by the communities in the upper St. John Valley. GN believes that commercial and other interests would be as well served by this connection to Quebec (35 miles rather than 90 miles) at considerably less cost. This route would also alleviate objections from conservation groups which are strongly opposed to any public highway through Allabash Wilderness.

* * *

Tree Length Logging. All company owned operations in the West Branch area are now cutting long wood. The final transition from four-foot was made in the Lobster and Scott Brook camps during the second week in November.

West Branch Drive Ends. As of October 16, all 1971 wood had been sluiced through North Twin and the final West Branch drive completed. Since 1900, GNP has used the West Branch of the Penobscot River to transport more than 12 million cords.

Subsequently, the boarding house at Chesuncook Dam was closed, and the floats and sluicing gates at Ripogenus Dam dismantled. The two large tow boats, the "E.A. Harkness" and the "William Hilton", have been placed in dry dock.

* * *

Derailment. Sixteen railroad cars containing Great Northern newsprint were involved in a 31 car derailment which occurred on the Maine Central Railroad last October 20.

The accident took place at Clinton, Maine, and resulted in heavy damage with some cars completely torn open exposing their contents.

Disposition of the 16 cars involved has been completed. Four cars were transferred and forwarded. The remaining 12 cars were declared a complete loss.

* * *

Portage Chip Plant. With the completion of the waste conveyor rebuild at Portage early in November, the plant was back in production on Wednesday, November 10.

Long wood inventory, at both the plant and on woods roads, is accumulating as a result of continued high cutting production. Present volume is 32,000 cords - a 22 week supply at a 1,500 cord/week plant production rate.

Growth Plots Analyzed. An analysis of the remeasurement of 275 permanent sample growth plots is underway in the Bangor office according to a report from John T. Maines, vice-president - Land Management. The quarter acre plots were surveyed recently for information concerning rate of growth of individual trees, hardwood development, and total old tree deaths.

Other field work taking place in the North includes road surveys, scaling, inspection, and the supervision of stumpage sales (sale of surplus hardwood to mills, plywood industries etc.). A new record for stumpage sales was set in 1970 with a total of \$1,899,695. September, 1971 proved to be a record month with sales at \$290,579.

* * *

Jo-Mary Operation Closed. The Jo-Mary Operation area, supplier of wood to Great Northern's Maine mills for 17 years, was shut down in November, following the conclusion of the soft wood cut.

Dan Garrity, operations foreman, supervised the operation of the Jo-Mary area throughout this period until his retirement last April.

* * *

Crane Accident. A Lima crane, owned by Woodlands Services of Lincoln, Maine, was involved in an accident while employed by GNP in wood salvaging operations in front of the intake at Dolby Dam.

John F. Marquis, manager, Wood Procurement and Operations, said the

equipment toppled into the water December 1, as pontoons under a raft supporting the machinery separated. No one was injured, according to Mr. Marquis.

Due to weather conditions, no attempt to raise the crane will be made at this time.

* * *

Fuel Unloading System Installed. A new fuel oil unloading system at East Millinocket, involving the leveling of Spur "C" on the existing railroad and construction of a new 350-foot long connection on the south side of Spur "C", became operational November 17.

Fifteen unloading stations, including one for diesel oil, were installed with the capability of unloading fourteen 11,000 gallon cars simultaneously. To control oil spills, ditches and conduits for draining surface water and oil to an oil separator and storage tank were also included.

The installation of this new system has eliminated use of the old coal trestle as an unloading station, improving safety, savings on maintenance and providing effective oil spill control.

* * *

Snowmobile Policy Announced. Great Northern's policy on the use of snowmobiles on company timberlands and roads for the 1971-72 season has been issued by the Woodlands Department in Bangor.

For those who may not have seen the policy as published in the local papers (continued on next page)

or posted on company bulletin boards, a copy of same has been included with this newsletter.

SOUTHERN DIVISION

Cedar Springs Sets New Record.

The best production record and new heights in safety were reported by the Southern Division during the month of November, 1971.

A total of 16,328 tons of good board was produced during the week ending November 14, an average of 2,332 tons per day.

The safety record at the mill through November is reported as the best performance since start up.

* * *

Contract Agreement. The company and the three labor unions representing workers at Cedar Springs mill, have reached an agreement on a three year contract retroactive to October 1, 1971.

Since the settlement is in excess of the guidelines set forth by the Pay Board, approval of the contract by the Pay Board must be obtained.

* * *

Freight Rate Increase. On November 22, the Georgia railroads were granted a six percent freight rate increase on intrastate traffic. The increase became effective following a favorable ruling from the Georgia Public Service Commission.

The new rate, postponed under the price freeze from August 16 to November 13, was voluntarily withheld by the Georgia carriers until the November 22 date, pending further clarification from the President's Price Commission for Phase 2.

The increase will result in approximately \$122,000 in additional costs per year for the transportation of wood and chips to the Southern Division.

* * *

Southern Site Treatment Nears Completion. Treatment of undesirable hardwoods on pine sites has nearly been completed for the 1971 season, according to reports from James W. Richardson, Southern Woodlands manager.

Hardwood stems of non-merchantable species or quality that is too large to be handled by site preparation equipment, are normally treated by injections of herbicides at the base of the tree. By using this method rather than aerial or mist blown sprays, the herbicide is concentrated on the stems to be treated thus avoiding contamination of the air or other vegetation.

During the last five years, approximately 16,000 acres of company lands have been treated.

According to Mr. Richardson, 5,000 to 6,000 acres of pine seedlings will be planted during the 1971-72 season. When these seedlings are well established, he anticipates an annual growth of 1.75 to 2.5 cords per acre per year.

* * *

Flash Fire at GN-Plywood. Due to the efforts of the plywood and paper mill fire brigades and the automatic (continued on next page)

sprinkler system at GN-Plywood Company, a flash fire which occurred above the hot press on the evening of November 20, was quickly brought under control.

The blaze, which took place at 9:20 p.m., broke out in the press area and resulted in charred insulation on the underside of the plant roof, a destroyed roof exhaust fan, a burned out skylight and weakened aluminum roofing where the fire was most intense.

W.K. Hoseid, GN-Plywood vice-president and general manager, reports that the lathe and dryer were back in production in less than two hours. Press production was resumed at about 7 a.m.

* * *

New Production Record. The Plywood plant established a new total press production record for the week ending November 21. The entire plant operated seven days and manufactured 2 1/2 million square feet, 3/8" basis.

* * *

Control House Installed. As a step in the series of changes designed to create a two-shift operation at GN-Plywood, a new cut-off saw control house was recently installed. The objective of the new equipment is to improve operator efficiency, visibility and control.

NEKOOSA EDWARDS

EMERY E. ALLAIN, vice-president - finance, GNP, and vice-president - finance and treasurer, GNN, has been elected to the board of directors of Nekoosa Edwards..

NAMES IN THE NEWS

ROBERT J. SHINNERS, vice-president Northern Division, has been appointed by Governor Kenneth M. Curtis to serve on a 22-member task force assigned to study energy, heavy industry and the Maine coast.

Mr. Shinnners also will serve as a member of the University of Maine Pulp and Paper Foundation Summer Institute Committee. The 13th annual Pulp and Paper Summer Institute will be held on the Orono Campus, June 18 to 30.

* * *

JOHN T. MAINES, vice-president, Land Management, is the new chairman of the Transportation Council, Maine State Chamber of Commerce.

* * *

WILLIAM E. COZENS, general sales manager, is a member of the committee arranging for the 22nd conference of the Research and Engineering Council of the Graphic Arts Industry.

* * *

W. K. HOSEID, GN-Plywood vice-president and general manager, and W. E. LLOYD, industrial relations manager, Southern Division, were in charge of the program and arrangements for the annual Plywood Personnel Conference held recently in New Orleans.

PATRICK H. WELCH, environmental protection supervisor, has been named 1971-72 vice-chairman of the Maine/New Hampshire Section, TAPPI.

* * *

SAM A. CASEY, president, GNN and GNP, has been elected to the Board of Trustees of the United States Trust Company of New York.

"P E R S O N N E L I T I E S"

PROMOTIONS

RICHARD W. NOYES, plant engineer, East Millinocket, to general production superintendent.

* * *

RICHARD D. VIOLETTE, paper mill superintendent, to plant engineer, East Millinocket.

* * *

WALTER R. HEAL, technical assistant to paper mill superintendent, to paper mill superintendent, East Millinocket.

* * *

CARL E. AMBROSE, laboratory control supervisor, Millinocket, to technical

assistant to paper mill superintendent, East Millinocket.

* * *

THOMAS W. KELLY, cost accountant, has assumed responsibility for the Cost Accounting Department and Northern Division Budgeting in addition to his present assignment of directing the revision of the cost system at Millinocket.

* * *

ADRIAN L. CLARK, has been promoted from budget analyst to the position of supervisor, cost accounting at Millinocket.

* * *

NEW EMPLOYEES

TERENCE J. GRANT recently joined the Administrative Services Department, Stamford Office.

* * *

MICHAEL P. ALFORD has rejoined GN's sales force. He is currently assigned to the Chicago office, commercial sales group.

RETIREMENTS

JAMES W. GRIFFIN, general product superintendent, East Millinocket Mill, has retired following 25 years of service.

SNOWMOBILE POLICY

Registered snowmobiles will be allowed on the unplowed roads listed below. However, in order to comply with state law and ensure the safety of non-snowmobilers, as well as snowmobile enthusiasts, plowed roads on GNP lands will be closed to use of snowmobiles. Plowed, marked parking areas for cars and trailers will be provided near the unplowed snowmobile roads in heavy use areas.

In addition to the roadways mentioned, there are many additional miles of private unplowed roads on GNP land. However, those using these private roads do so at their own risk.

Piscataquis and Penobscot Counties

1. For snowmobile access to Baxter State Park, Sourdnaunk, Telos, Chamberlain Lake, and the Allagash Wilderness Waterway, parking areas for cars and trailers will be provided on the old Millinocket Lake - Ripogenus Dam road at two locations: (1) at the junctions of the old and new roads at Thoreau (Abol) Bridge and (2) the top of Abol Hill (old road to the main entrance of Baxter State Park), possibly all the way to the Park entrance. Parking will also be provided two to three miles beyond the junction of the old and new Telos roads (Harrington Lake) on the old road.

Since heavy trucking with over-size loads will be in effect Monday

through Friday, 7:00 a.m. to 5:00 p.m. each day on the main line access to these areas, recreational use of automobiles and the transport of snowsleds is encouraged outside of these hours for safety reasons.

2. The new Telos road, Harrington Lake to the Chamberlain Lake thoroughfare bridge, will be open to automobile traffic beginning at 7:00 p.m. on Friday through Sunday night. Cars and trailers may be parked at the old camp yard at the thoroughfare bridge. The Allagash Wilderness Waterway have plans for marked trails from this parking to Chamberlain Lake and Round Pond.

3. Jo-Mary road to Johnson Pond may be used if it is unplowed and not being used for wood transport.

4. There will be an unplowed road and/or trail from Smith Pond to Wadleigh and North Twin for snowmobile use.

5. Parking will be allowed on the spur road leading to the old Chesuncook Dam site and boom house for access to the Chesuncook Lake area. Saturday and Sunday transport of snowsleds will be allowed on the first seven miles of the new hauling road at Caribou Lake, with parking being provided on a side road toward Chesuncook Lake at this seven-mile point.

(continued on next page)

SNOWMOBILE POLICY

6. Parking areas will also be provided at Cedar Lake at the public landing (gravel pit at the apple orchard); South Twin - opposite the picnic area; both sides of the bridge at North Twin; deep cove road just off the Millinocket Lake end of the new haul road; and the following locations at the Millinocket-Ambajejus Lake "Dike" area: the parking lot, old road loops at the sawdust pile and the pumping station.

Marked trails will be in effect from the "Dike" to the perimeter roads of Baxter State Park and the Allagash Wilderness Waterway.

Somerset County

1. For access to Moosehead and Lobster Lakes, the road from Rockwood to Pittston Farm (if plowed) may be used. If the road remains unplowed during the season, sled use will be permitted. Cars and trailers may be parked at Seboomook Campground and Northeast Carry.

2. The unplowed section of the North Branch road just north of Pittston Farm will be open to snowmobiles, with parking provided at the junction of this road and the Boundary Road.

Aroostook County

1. Red River Road - leave cars at St. Froid and enter Red River Road by snowmobile for many miles of unplowed roads.

2. Fish River Lake Road - drive cars to junction of the Fox and Chase Brook roads. Parking will be provided on the Chase Brook road. Many unplowed roads exist beyond this parking area.

In the interest of public safety, all plowed roads on GNP lands will be closed to snowmobile use. However, cars and trailers will be allowed on plowed roads to permit enthusiasts to reach the unplowed areas specified earlier. These plowed roads should only be used after 5:00 p.m. when wood hauling usually ends each day.

Questions about the use of company roads in specific areas should be cleared with Great Northern Woodland Area Superintendents at Millinocket and Sheridan, and use of company land through district foresters and land agents at St Francis, Fort Kent, Ashland, Houlton, Patten, Millinocket, Greenville, and Jackman. Local snowmobile clubs in these areas will also be able to provide additional information.



Panama News

GREAT NORTHERN PAPER COMPANY NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 9

Stamford, Connecticut

November 19, 1971

GNP BOARD ELECTS NEW VICE PRESIDENT

On September 14, the Great Northern Paper Company Board of Directors appointed Joseph V. Carena Vice President-Export Sales. At the same time, he was also elected a member of the Board.

In this newly created position, Mr. Carena will be responsible for coordinating and expanding GNP's export markets. He will report directly to Robert A. Haak, President.

"During the past few years," Mr. Haak noted, "the sale of Great Northern products overseas has become increasingly important, and today represents about 10% of our total sales."

Formerly President of Van Reekum Paper, Inc., Mr. Carena joined GNP in 1961 as Manager of Export Sales and brought with him more than 25 years of experience in international paper sales.

His responsibilities were broadened to include the Company's total sales effort when he was appointed General Sales Manager in 1966.

* * *

MAINES, MARQUIS, PERKINS NAMED

John T. Maines has been named VP-Land Management, John F. Marquis has been appointed Manager of Wood Procurement and Operations and Jerry D. Perkins has been named Director of Transportation and Purchases.

In the case of Mr. Maines, the change is one of title only. As in the past, he continues to be responsible for maintaining the maximum utilization of GN-owned lands in the North and South, reporting directly to Robert A. Haak, President.

(continued on next page)

Production for the ten months ended October 31. . . .

Production:	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	578,998	2,066	589,626	2,070
East Millinocket	307,559	1,027	322,355	1,080
Millinocket	253,081	849	269,408	903
	1,139,638	3,942	1,181,389	4,053

In addition to his duties as Director of Purchases and Stores, Mr. Marquis has been responsible for pulpwood procurement and woodlands operations in Great Northern's Northern Division for the past two years. As Manager of Wood Procurement and Operations, he will relinquish his function with purchases and stores and devote full time to the former activity. Mr. Marquis joined Great Northern in 1965. In his new position, he will report directly to Robert J. Shinnors, Vice President-Northern Division.

Mr. Perkins came to Great Northern in 1963. Director of Transportation since 1968, he now assumes corporate responsibility for the company's purchasing operations. Located in Stamford, Mr. Perkins will continue to report to Robert Hellendale, VP-Administration.

A graduate of The Wharton School of Business and Finance, University of Pennsylvania, he joined GNP's Sales Department in 1962, bringing with him 12 years' experience in the paper industry.

Later that same year, he was named Assistant Manager-Specialty Papers, and in 1963 he was appointed Manager of Commercial Sales.

Paul DeMarrais' new responsibilities encompass GNP's entire commercial sales effort.

In this new position, he will report to William E. Cozens.

A graduate of the University of Michigan School of Forestry, Mr. DeMarrais received his M.B.A. from Fairleigh Dickinson University.

He joined Great Northern's Sales Department in 1958 and was named Eastern Manager-Commercial Sales in 1966.

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Two Sales Department Promotions.

William E. Cozens has been appointed General Sales Manager, and J. Paul DeMarrais has been named Manager of Commercial Sales.

In his new position, Mr. Cozens will be responsible for U.S. sales and marketing activities of GNP's newsprint and lightweight coated and uncoated groundwood printing papers.

He will report directly to John H. Staples, Vice President-Sales.

Great Northern has purchased 50% of the common stock of IPEL, a Panamanian company. IPEL owns a small paper mill located near the city of Panama in the Republic of Panama.

Approximately two years old, the IPEL mill produces about 40 tons per day of sack paper for cement bags and medium on a machine trimming 94 inches. The furnish for the machine is kraft pulp which is imported from the United States or kraft clippings from Central (continued on next page)

American box plants. Great Northern will manage the IPEL mill.

The other 50% owner of IPEL is Interamerican Resources, Inc., a Panamanian holding company. Beginning in 1972, the Cedar Springs mill will sell linerboard and corrugating medium to four box plants in Central America controlled by Interamerican Resources, Inc. The principal use for the boxes is shipping containers for bananas.

* * *

NORTHERN DIVISION

The latest pollution abatement program at Millinocket, under construction since June, is progressing on schedule for a projected start-up in September, 1972, shortly before No. 11 Paper Machine comes on line.

Located on the east bank of Millinocket Stream some 4,000 feet downstream from the tailrace of the existing mill, the facility will include a 250-foot diameter clarifier, effluent lift station, sludge filtration, pressing and incineration equipment and sludge equipment building.

Engineering and design are proceeding on schedule and 13 acres of site preparation (clearing, grubbing and grading) has been completed.

The General Contractor has completed the footers for the clarifier walls and is now concentrating on completion of the floor slabs for the clarifier basin. This will be finished in the near future.

The foundation footers and walls for the sludge house are being installed and erection of the sludge house structural steel will take place this fall. The project will be completed next spring and summer.

No. 11 Progress Report. "With the No. 11 machine at Millinocket due to start up in October of 1972, construction and the installation of supporting equipment is progressing smoothly," notes Donald G. Griffie, Manager of Engineering.

A new Ingersoll Rand 3,000 SCFM Air Compressor, the second of its type to be installed at Millinocket during the past year, will provide a permanent, reliable source of compressed air.

In the steam plant a new 600,000 lb./hr. high pressure feedwater heater is now on line. This new heater replaced the existing No. 1 300,000 lb./hr. high pressure feedwater heater that had been taken out of service because of leakage problems.

John Lombard, Division Engineer, reports the Verti-Forma 25 percent complete and the press sections about 90 percent complete. In addition the paper machine winder is now installed, and the calendar and reel sections are positioned and nearly complete. Mr. Lombard also said work on the refiner groundwood plant was progressing well and that the central whitewater system would be started up after the Christmas shutdown.

* * *

Gate Roll Coater. Almost 450 tons of 45-pound Baxter Text have been produced to date. We have market acceptance from Courier Citizen, Ginn & Company and Reardon Baer. These three customers use Baxter Text for workbook applications. With supplementary test and workbook printers now involved in "back to school" season, we anticipate sizeable runs of this grade in the near future.

MgO Flameout Protection. A "Fireye Burner Control System" has been placed in service on the MgO Recovery Boiler. A product of Electronics Corporation of America, the system provides a safeguard against combustion explosions and oil fires within the boiler.

The equipment consists of an ultraviolet flame sensor on each of the 12 oil-fired burners, a relay logic cabinet, 3 control panels and an operation readout panel.

The basis of design, as approved by the Factory Insurance Association, is to limit the quantity of oil in the furnace to an absolute minimum whenever there is no fire in the furnace.

The new flame safety system requires that the furnace be purged by air and steam when no fire is detected after a 10 second try to light the first burner. If the attempt to light this burner is successful, other oil burners may then be lit. Should any of the other burners fail to light, a steam purge of that particular burner is required. As long as one burner is successfully burning, an air purge of the furnace is not necessary even if the other burners fail to light.

Since red liquor is not a highly combustible material by itself, there is no flame safety equipment on any of the 18 red liquor guns.

* * *

Another Use For Waste Paper. Engineers at the Westinghouse Research Laboratories are currently working on the development of a simulated wood which is made from newspapers and an equal weight of an industrial waste, urea-formaldehyde flash (i.e., the scrap produced

during the manufacture of plastics.)

When the mixture of newsprint and urea-formaldehyde flash is heated to 300 degrees F and then pressed, the wastes are turned into an inexpensive hardboard.

The Westinghouse engineers have used the simulated board to make a cabinet. Other end uses are expected to be developed.

* * *

Remember The Way It Was? Commemorating this final year of the river drive, GNP sponsored an outing last August 26 to pay special tribute to its Woodlands Department retirees.

The day's events began with a ride on the "William Hilton," a heavy-duty tow-boat that was retired at the end of the summer.

After a typical log drivers' luncheon, the commemorative ceremonies took place.

Guest speakers included John T. Maines, VP-Land Management, John E. McLeod, Sr., former Manager of Personnel who is compiling a history of log driving on the West Branch, and Henry P. Van DeBogert.

Mr. Van DeBogert dedicated the "Woodsmen's Memorial," an obelisk-type structure made from an iron beam to which had been welded many of the tools used in logging operations.

The weather was perfect for the occasion, and even the normally choppy Chesuncook Lake cooperated--it was as calm as a pond.

Leon White of Bangor summed up the meaning of the day: "It's the most wonderful thing that has happened to us in a long time--being able to come back here where so many of us worked for so long and to see again many of our dear old friends."

SOUTHERN DIVISION

Cedar Springs broke a daily production record October 12 by manufacturing 1,332 tons of 69# liner on the No. 1 machine in a 24-hour period, 8 a.m. to 8 a.m. The previous record for this machine was 1,310 tons. For the week ending October 31, the mill operated at a 2,410-ton daily average for all three machines.

The Annual Wood Dealer Meeting took place in Panama City, October 13. Fifty-two dealers were present and accepted without too much discussion our proposal to start buying rail-wood by weight rather than scale in the very near future.

Five more SCL super 60' cars, making a total of fifteen, are now serving Southern Division customers. Since these special cars will enable us to meet the minimum weight requirement for medium set by the railroads, they will eliminate premium freight charges and save Great Northern upwards of \$40,000 per year. The new cars bring to approximately 538 the number of regular 50', 60' and super 60' cars assigned to us.

* * *

Several new production records have been established at GN Plywood recently. Press production for a single 8-hour shift during the week of October 2 reached an all-time high of 103 pressloads, or a total of 174,000 square feet, 3/8" basis.

GUEST COLUMNIST

"Tibetan Woodsmen, A Final Report," by Leo L. Thibodeau and John T. Maines.

The Tibetan story begins in January, 1966, when Dr. Ernest Dale, a consultant to Great Northern and a director of The Tolstoy Foundation, Inc., an organization concerned with displaced persons throughout the world, suggested Tibetan refugees as a possible source of trainable woodsmen. Our woods labor shortage and our problems with the U.S. Department of Labor regarding the importation of Canadian woodsmen made the idea attractive, and we agreed to hire six Tibetans on a trial basis. Leo Thibodeau, then Employment Manager-Woodlands and now retired, was assigned to handle importation procedures.

After lengthy correspondence with the Maine Employment Security Commission, the U.S. Department of Labor, the U.S. Immigration Service, the U.S. Consul in New Delhi, India, and the Office of Tibet in New York and New Delhi, transportation money was finally mailed to the Dalai Lama's representative in India in April, 1967. The first six refugees arrived in early May, and a ten-week training program was begun.

These Tibetans spoke and understood English fairly well. Considering their lack of knowledge of the tools needed in the woods industry, their progress was satisfactory. Rene Dube, their trainer, was very patient and spent much time explaining safety rules and the proper method of harvesting wood products. However, it still took the Tibetans six months to earn over the minimum wage rate cutting by the cord.

The first wife, Mrs. Nawang Jigme, arrived in Bangor with her (continued on next page)

12-year-old daughter on Thanksgiving Day, 1968. The Jigmey's stayed overnight with the Thibodeaus and were driven to Portage the following day. Both women wore sandals, and since there was two to three feet of snow at the time in Portage, Mr. Jigmey had to carry his wife and daughter to his cottage. After two weeks of Northern Maine weather, Mrs. Jigmey decided to join her brother in Seattle, Washington.

A second group of Tibetan refugees arrived in January, 1969. They were given instructions in timber harvesting and some of the original group aided in this educational program.

During the first summer, a Tibetan woman who had met some of the men before they left India visited the group. After a few weeks, she married Wangchuk Dorgee. As a graduate nurse, fluent in both Tibetan and English, Mrs. Dorgee was able to obtain work at the Eagle Lake Nursing Home. Two men in the last group were already married when they arrived in Maine. Their wives followed a few months later, and each eventually gave birth to a child.

We believe the heavy snows during this past winter were the deciding factor in the Tibetan's desire to find work elsewhere. Friends and relatives in New Jersey, New York, California, Oregon and Washington found jobs for them with year-round employment and a steadier income. Consequently, a few left in July and August, and the final group in September. All expressed gratitude for the fine treatment received from the Company and from Company personnel, especially Orville Tripp, Superintendent of our Ashland area.

Although the Tibetans discharged their financial obligations before they departed, the work involved in

setting up this importation and training program was costly to the Company. The program proved, however, that persons entirely unfamiliar with timber harvesting can be trained if they have the proper motivation.

While the experiment cannot be called an unqualified success, the program did generate favorable national publicity for Great Northern.

* * *

Study Shows Preference for Newspapers. When people want to find out more about the news that interests them, they rely on the newspaper more than any other medium.

So says the Bureau of Advertising in its booklet, "News About the News Media," in which it summarizes responses to a series of questions probing the use of media.

A national sampling of 2,023 men and women were questioned in March and April in order to help the Bureau develop a better understanding of how people use media for various kinds of information.

The respondents reported an even greater preference for newspapers with respect to advertising.

They indicated by a margin of more than three to one over any other medium that when they are ready to buy, they turn to the newspaper for the facts they want.

Newspapers were also in the lead as the medium in which people can find advertising that can be trusted.

NAMES IN THE NEWS

SAM CASEY, GNN President, re-elected a Director and member of the paper group of the American Paper Institute for 1971-72.

JOHN T. MAINES, Vice President-Land Management, was the toastmaster at the all-conference luncheon at this year's Maine State Safety Conference which drew attendance from all over New England.

DR. VICTOR F. MATTSON, Director of Research & Development, appointed Chairman of the Committee which will arrange for the Pulp and Paper Open House at the University of Maine (Orono) next April.

DONALD G. NOLAN, General Superintendent, GN-Plywood, appointed a member of the DFPA (Division for Product Approval) Advisory Committee of the American Plywood Association.

JERRY D. PERKINS, Director of Transportation and Purchases, was a speaker at the Southeastern Shippers Advisory Board in Atlanta, Georgia.

RUSSELL A. YORK, Education & Training Director, named to the Educational Relations Committee of the University of Maine Pulp & Paper Foundation.

" P E R S O N N E L I T I E S "

NEW EMPLOYEES

RICHARD L. ANDERSON has joined the Administrative Services Department as Systems Development Manager, Stamford office.

WALTER M. BROWN has joined the Systems and Programming staff of the Administrative Services Department in Stamford as a Systems Analyst.

WILLIAM J. BUDAHAZY has joined the Administrative Services Department in Stamford as a Systems Programmer.

PROMOTIONS

OPEL M. ARNOLD has been appointed Buyer, Purchases in Millinocket.

ANGUS N. BEARS has been promoted to the position of Superintendent-Stores, Millinocket.

JAMES L. BELLIS has been named General Sales Manager, Board Sales, Stamford.

DONALD BRAFF has been appointed Manager, Rates and Research, Stamford.

JOSEPH V. CARENA has been appointed Vice President-Export Sales, Stamford.

EDWIN J. CATES has been promoted to Manager, Purchased Wood, Millinocket.

J. DERRELL CLARK has been promoted to Purchasing Agent for Great Northern Paper Company in Cedar Springs.

WILLIAM E. COZENS has been appointed General Sales Manager, Stamford.

J. P. DeMARRAIS has been named Manager of Commercial Sales, Stamford.

H. ROYCE DAVENPORT has been appointed Buyer, Purchases and Stores Department, Cedar Springs.

C. R. EPPERSON has been named Assistant Director of Purchases, Stamford.

J. MARTIN EVANS has been promoted to Superintendent-Stores (acting), Cedar Springs.

RALPH E. GROSS, JR. has been promoted to Control Superintendent-East Millinocket Mill.

CHARLES E. HEATH has been promoted to Supervisor-Stores in Cedar Springs.

STEPHEN G. HOBSON has been promoted to Midwestern Sales Representative, Cincinnati.

MICHAEL F. HRADEL has been named Control Engineer-Millinocket Mill.

JOHN F. MARQUIS has been named Manager of Wood Procurement & Operations, Millinocket.

WOODROW J. MacDONALD has been appointed Expediter-Planner in the Central Engineering Department, Millinocket.

DONALD F. McDONNELL has assumed the duties of Supervisor-Stores, Millinocket.

LURENE E. McAVOY has been appointed Buyer, Purchases in Millinocket.

JERRY D. PERKINS has been appointed Director of Transportation & Purchases, Stamford.

HOWARD D. PUGH has been named Manager, Purchases & Stores, Cedar Springs.

RANDOLPH R. ROBINSON has been appointed Manager-Purchases & Stores, Millinocket.

WARREN A. RICHARDSON has been promoted to the position of Technical Assistant to the Paper Mill Superintendent, Millinocket.

S. J. SIEGEL has been promoted to Assistant Director of Transportation, Stamford.

W. VERNON WIDNER has been promoted to Purchasing Agent-Plywood, Cedar Springs.

RETIREMENTS

ROBERT LEADBETTER, Manager of Purchased Wood in Millinocket.

TERMINATIONS

MARY ROSE E. DANIELS, Public Relations Assistant, Stamford.

CHARLES D. TIEDEMANN, Midwestern Sales Manager, Cincinnati.

F. D. WOODARD, Senior Purchasing Agent, Millinocket.

TITLE CHANGES

JOHN T. MAINES, from Vice President-Woodlands to Vice President-Land Management, Bangor.

PHILLIP F. MENDOLA, from Traffic Analyst to Coordinator, Export Traffic, Stamford.

TRANSFERS

ROY ILLINGWORTH has returned to the Research Department in Millinocket as a Senior Research Chemist.

RUDOLPH P. MARCONI, from Commercial Sales Representative to Junior Salesman - Newsprint Division.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 8

Stamford, Connecticut

September 7, 1971

PAPER, POLLUTION AND PROFITS

"Expenditures for pollution abatement equipment are a sizable new production cost for the paper industry.

"We feel a good, frank exchange of information on pollution and the paper industry is long overdue."

With these words, Sam Casey, GNN President, pinpointed the rationale behind Great Northern's decision to organize the "Pollution Technology and Funding in the Paper Industry" seminar for security analysts who follow the paper and pollution control industries.

The purpose of the seminar was to bring the financial community together with members of GNN management and outside experts to discuss industry developments in pollution abatement technology, the implementation of that technology and the funding impact on paper companies.

"Water and air pollution is unacceptable to everyone, and the urgency of finding feasible solutions is increasing almost daily. A communication of ideas is vital if we are to achieve our goal of a clean and healthy environment."

More than 70 analysts from the Metropolitan area, and from as far away as Chicago, attended GNN's four-hour pollution seminar and question and answer session on August 12.

Obviously, no final solutions were determined--nor were they expected. However, the meeting clarified many problems and generated a good deal of background information.

Mr. Casey's keynote remarks summed up the purpose of the seminar and paved the way for the four guest speakers.

"People are demanding that industry stop polluting, and the paper industry has been a particular target of environmentalists.

"The question is no longer whether a company will stop polluting. It is now a question of specific plans and funding.
(continued on next page)

Production for the eight months ended August 31. . . .

	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Production:				
Cedar Springs	452,591	2,052	481,694	2,079
East Millinocket	243,629	1,019	259,808	1,084
Millinocket	202,181	841	216,640	904
	898,401	3,912	958,142	4,067

There are different strategies for handling the solvable problems and attacking those for which there is no present solution. Pollution abatement is not just a matter of cash--but it must be evaluated financially."

Guest speakers at the seminar were Dr. Robert A. Holm, Director of the Division of Industrial & Environmental Systems, Institute of Paper Chemistry; Will J. Lessard, Senior VP, Chas. T. Main, Inc.; Dr. Victor F. Mattson, Director of Research & Development, GNP; and Dr. Terry O. Norris, VP, Research & Development, Nekoosa Edwards Paper Company, Inc.

In discussing the "3 R's" (Reuse, Recycle, Reclaim), Dr. Holm described the broad pollution problems faced by the paper industry, examining in detail suggestions for reuse, recycling and reclamation of our end products as well as the elements of the manufacturing process. He stressed "the importance of a society nurtured by renewable rather than irreplaceable resources."

Mr. Lessard gave a roundup of what pollution abatement equipment is now technically possible for paper companies to install, as well as what problems are beyond current technology.

He brought equipment costs into focus because "there are few problems that can't be corrected if money is no object. But no one is going to spend a dollar to save a dime, and no one would rationally propose that we destroy a dollar's worth of our environment to save 10 cents of it."

To provide specific illustrations of problems, solutions and costs in different kinds of paper and container-board mills in widely varied sections of the country, Drs. Mattson and Norris reviewed pollution abatement successes and failures at GNP and NE, respectively.

Using slides and cost charts, they compared the problems of new mills and old mills, upgrading versus shutdown, and the economic impact of various levels of control.

The session was concluded with a vigorous question and answer period--covering an exchange of ideas on the whole range of topics discussed--and was followed by cocktails.

We plan to reprint--in booklet form--the speakers' comments, as well as a condensed transcript of the question and answer session.

If you would like copies of the booklet, contact the Public Relations and Advertising Department, Stamford Office, and we will be glad to send as many as you might need.

President Nixon's New Economic Plan. As you all know, President Nixon recently introduced a new, 90-day economic stabilization plan.

Referred to in many sectors as the "Big Freeze," the plan includes several programs with the four-fold purpose of 1) checking inflation, 2) increasing employment, 3) strengthening the U.S. balance of trade position, and 4) stemming the outflow of U.S. dollars which has created an imbalance in the international monetary system.

Some of these programs can and are being implemented by administrative action under authority already provided to the President by the Constitution or by statute.

They include an Executive Order calling for wage-price-rent controls, a temporary suspension of full convertibility of U.S. dollars into gold for foreign treasuries and central banks, the imposition of a temporary surcharge on imports, and a reduction in Federal expenditures.

Other measures will require Congressional action. House Ways and Means Chairman Wilbur Mills has promised prompt consideration of these measures when Congress reconvenes September 8.

Included will be the President's recommendations that Congress 1) establish, retroactively to August 15, an accelerated investment tax credit of 10% the first year, followed by a permanent credit of 5%; 2) repeal, retroactively to August 15, the 7% excise tax on automobiles; and 3) advance to January 1, 1972 the increase of personal income tax exemptions now scheduled to take effect in January 1973.

To carry out these inflation-curbing provisions, a cabinet-level Cost of Living Council has been created and Offices of Emergency Preparedness have been set up regionally to handle the problems

and many questions that will undoubtedly arise as a result of the President's action.

The "freeze" could also be extended after the 90-day period (which ends on November 13) if the Administration decides it is still needed. Authority to impose a ceiling on prices and wages expires next April 30.

As a result of the wage and salary stabilization order, GNP's Salary and Benefits Department has issued the following notice:

1. Monthly Salaried Employees. Only salary increases approved effective August 1 (for the payroll run on August 18) will be processed.

2. Weekly Salaried Employees. All weekly salaried people will remain at their August 14 level for the 90-day "freeze" period.

3. Projected Increases, effective after August 1 for monthly salaried employees and after August 14 for weekly salaried employees, will be placed in a "hold" position until November 13.

4. Promotions. Bona fide promotions that constitute an advancement into an established position with greater responsibility will be allowed. However, merit and longevity increases will not be granted.

So that all departments will not be jammed up with additional paperwork at the end of the 90-day period, it is suggested that annual reviews continue to be conducted and salary increases be sent to Salary and Benefits.

Because it is unlikely that retroactivity will be permitted at the end of the "freeze," the effective date of an increase will undoubtedly be changed to conform with whatever government rules are enacted.

However, this temporary restraint is not to be construed as a basis for changing existing annual review dates.

The 90-day immobilization of prices also appears to affect all products and services of the paper/board/packaging industry, as well as materials purchased by it or within it.

(continued on next page)

Of all GNP products, only newsprint is duty-free and thus exempt from the surcharge.

"The freeze order and 10% surcharge as outlined in President Nixon's emergency economic program has clearly indicated that standard newsprint will not be affected," notes Benjamin B. Appleton, Manager-Newsprint Sales.

"Because of this, it is expected that the proposed Canadian price increase (\$8 a ton, effective November 1) will be delayed until the freeze is removed or modified on November

"Another factor in the publishers' favor is the fact that while U.S. output was down 4.1% in June, Canadian output decreased 4.9%.

"With competition this keen, it is not expected that the Canadians and Scandinavians will succeed in obtaining their scheduled price increases," he concluded.

"Groundwood printing papers, on the other hand, are not duty-free," said William E. Cozens, Manager-Commercial Sales.

"The additional 10% surcharge indicates that it would be inadvisable for Canadian groundwood manufacturers to raise their prices.

"President Nixon's economic policy will be beneficial to GNP inasmuch as it will promote U.S. mills," he noted.

* * *

Educational Assistance. Now that the long, hot summer seems to be coming to an end, it's a good time to start thinking about GNP's Educational Assistance Plan.

Under this tuition refund program, all full-time employees who have been with the Company for

three months will be reimbursed by GNP for the first \$35 and 75% of the remaining costs, up to \$150 in any one calendar year.

In the case of college level courses, the maximum refund is \$150 per completed semester.

The course of study must be offered at an accredited school, be related to your work, or be required for a degree if you are a matriculated student.

Before selecting a course, you should first consult with your supervisor.

Upon final approval by your department head, send the application--Form 576-9-66, which can be obtained from the Salary & Benefits Department, Stamford--to the Training Director, Central Personnel, Millinocket.

Reimbursement will be made upon successful completion of the course, provided that the course is completed within one month of the estimated date shown on your application. You must also still be employed by GNP at the time the course is ended.

Requests for tuition refunds--Form 530-9-66--must be submitted to the Training Director within 60 days after actual completion of the course.

By furthering your education, you are thus enhancing your opportunities within the Company, and GNP urges everyone to take advantage of this Educational Assistance Plan.

* * *

Some Industry Trends. A breakdown of U.S. paper production by grades, for the period January through May 1971, shows the same (continued on next page)

number of grades ahead as behind for the comparable period in 1970.

Newsprint was up 2.1%, uncoated groundwood down 1.1%, coated papers down 3.2%, writing and related grades up .7%, uncoated book paper up 3.2%, unbleached kraft and converting grades down 6.9%, other packaging and industrial converting down 3.2%, bleached bristols up .6%, special industrial down 10.5%, and tissue grades up 1.9%.

U.S. paperboard production in the first seven months of this year was even with 1970. Domestic containerboard increased .3%, and domestic boxboard was off 3.3%.

* * *

Guest Columnist. Each month, the Newsletter plans to feature a by-lined article that will be of general interest to our readers.

Topics will cover the broad spectrum of GNP's operations and activities, and everyone is invited to participate.

The articles need not be lengthy--300 to 500 words--and should be submitted to: Editor, Newsletter, Stamford Office.

Our first Guest Columnist is Dr. Victor F. Mattson, Director of Research and Development, Millinocket. (See Page 7.)

* * *

Over the past several months, we have received suggestions that our monthly Newsletter start a "Letters to the Editor" column.

As a result of this interest, such a column will make its debut

in the October issue of the Newsletter.

Similar to that in your daily newspaper, our "Letters to the Editor" column will provide employees with an opportunity to voice their opinions and comments on GNP activities.

This will NOT be a "question and answer" column, however, and letters asking specific questions about GNP policies and practices will not be published.

All letters of general readership interest are welcome and should be directed to Mary Rose Daniels, Public Relations Assistant, Stamford Office.

"Letters to the Editor" must be signed. However, we will be glad to withhold your name upon request.

We hope that you will find this new column interesting, and that your participation will help spark up the Newsletter.

NORTHERN DIVISION

Private Trucking. On August 9, we began a proprietary trucking operation in the North.

Two tractors and three 40-foot van type trailers have been leased. The trucks will be used for out-bound shipments of paper to customers already receiving truck delivery.

"The steady increase in the cost of common carrier transportation has prompted our decision to venture into such an operation," noted Jerry D. Perkins, Director of Transportation.

"We are optimistic that our private trucking operation will help reduce transportation costs."
(continued on next page)

Phillip P. Paul, Traffic Manager, and F. Dan Woodard, Manager of Purchases, are working in close cooperation in the dispatching of our trucks in order to receive optimum savings.

To date, our shipments have been directed to areas where mill supplies are available for pick up--i.e., while en route back to the mills after making their deliveries, our trucks pick up shipments from various GNP suppliers. that would otherwise have to be transported via common carrier trucks.

Therefore, our trucks both leave from and return to the mills with full loads.

"The first few weeks of our private trucking operation have proved most successful. If the anticipated economies continue to be realized, it is quite possible that we will enlarge our fleet," Jerry Perkins concluded.

* * *

Summer Visitors. From June 11 to August 20, 2,000 people--representing four foreign countries and 31 states--toured the Millinocket Mill.

The East Millinocket Mill was visited by approximately 400 people.

Mrs. Sheila Mallory of Jersey City, N.J. was the 2,000th visitor at Millinocket this summer.

After touring the mill, she was greeted by Arthur E. Dentremont, Mill Manager, and presented with a set of GNP glasses.

The most frequent remark made by our visitors was "It's simply amazing that it takes such a huge mill to make a sheet of paper."

The Sulfite Pipeline, which connects the Millinocket with the East Millinocket Mill, celebrated its 10th birthday this summer.

Final inspection under the supplier's guarantee was made during the July 4th shutdown.

Both Great Northern and John-Manville representatives found the pipeline to be in excellent condition.

* * *

Abol Bridge Renamed. September 11 marks the 125th anniversary of Henry David Thoreau's first visit to the Maine woods.

In cooperation with The Thoreau Fellowship, Inc., Great Northern has agreed to rename Abol Bridge "Thoreau Bridge."

Dedication ceremonies, including the placing of a plaque on a rock near the bridge, will be held on September 11 at 2 p.m.

Patrick H. Welch, Environmental Protection Supervisor, will represent GNP and will speak on "Log Driving in Thoreau's Time, and Its Status Today."

SOUTHERN DIVISION

"White Liner." On July 20, an extremely successful trial run of GNP's "White Liner" was made at Cedar Springs.

"Generally similar to the mottled white liners we have manufactured in the past--and which have enjoyed growing popularity in a number of consumer fields--this new grade is a product of further market development efforts (continued on next page)

and improved, innovative manufacturing techniques," noted R. K. Crippen, Manager-Marketing and Administration, Board Sales.

White Liner is produced by the application of bleached fiber at the secondary headbox, as well as the use of other additives at both the wet and dry ends of No. 2 Paper Machine.

This manufacturing technique results in a highly uniform distribution of white fibers, thus creating a distinct, individual and consistent pattern with superior qualities of brightness and printability.

Over the years, the demand for quality packaging and the desire to display an advertising message--more than merely a product or manufacturer's identification on corrugated shipping containers--has created a growing need for white liners.

This demand was originally satisfied by the use of fully bleached outer liners. However, the cost and appearance problems in transit and in handling led the converter to the partially white, or "mottled white" sheet, which minimizes the disadvantages and maximizes the advantages of fully bleached liner.

"Because of the newness of our No. 2 Paper Machine in comparison with the relative age of the majority of other machine that make mottled white grades, we are convinced that Great Northern can offer its customers a more uniform sheet and pattern than any other competitor," Rex Crippen said.

"The consumption of the mottled white sheet, with which we will be competing, has grown significantly during the past five years--and continues to do so at a healthy rate," he continued.

"This growth is especially noticeable in cartons used to package small appliances, beverages, produce and high cost specialty products."

In its initial exposure in the marketplace, GNP's new "White Liner" has been received favorably, and we expect it to become a major factor in our product mix in the months to come.

Plans are also underway to incorporate this grade in the packaging program for corrugated containers at Nekoosa Edwards.

* * *

GN Plywood Breaks Record. As of the week ending August 15, GN Plywood established a new press production record of 2,217 M, 3/8 basis, breaking its own record of 2,200 M, 3/8 basis, made just two weeks earlier.

GUEST COLUMNIST

"The Effect of the Federal Air Pollution Law on GNP," by Dr. Victor F. Mattson.

The goal of the Federal Clean Air Act of 1970 is to achieve the Environmental Protection Agency's (EPA) ambient air quality standards by 1975.

These standards reflect the level of air quality the Federal government believes is necessary to protect the well-being of all citizens--including those with asthmatic or emphysematic problems.

Meeting this nationwide goal will require a 50% reduction in the current level of pollution. U.S. emissions of air pollutants now total 200 million tons a year.

The EPA has ordered the states to establish acceptable standards for the various types of pollutants, and to set up implementation (continued on next page)

schedules consistent with the 1975 deadlines.

Guideline standards have been provided by the EPA for six major classes of air pollution--sulfur oxides, particulates, carbon monoxide, photochemical oxidants, hydrocarbons, and nitrogen oxides.

Guideline standards for additional pollutants, including odors, are expected soon.

Great Northern's major problem, both in the North and South, will be the sulfur oxides in its power plants.

This is a tough nationwide problem that will particularly affect the electric power utilities.

There are only two possible solutions--convert to a low sulfur fuel, or remove the sulfur oxides from the flue gases.

Unfortunately, there isn't enough low-sulfur fuel, nor are there any commercially proven sulfur oxide removal techniques available.

Particulates present a less serious problem, because our major emissions either don't contain high levels of particulates, or they are already protected with devices such as electrostatic precipitators or wet scrubbers.

Furthermore, where improved protection may be needed, the technology to provide this is already developed.

Emission sources that can create problems, if adequate provisions are not taken, include power boilers (especially coal or bark burning burners), lime kilns, sludge incinerators, and kraft recovery boilers.

Although specific standards have not yet been established, it is probable that the Southern Division will need to take additional steps to minimize it "kraft mill" odor.

The Clean Air Act of 1970 sets some rugged goals. In fact, some experts consider them to be hopelessly unrealistic.

Nevertheless, Great Northern is obligated to determine whether its emissions comply with applicable standards, and to instigate corrective measures where they might be required. Both Northern and Southern Divisions are already working on these problems.

" P E R S O N N E L I T I E S "

PROMOTION

GORDON H. COOK, JR. has been promoted to Budget Analyst, Controller's Department, Stamford.

TRANSFER

HERBERT W. BRAGDON has transferred from Internal Auditor to Supervisor-Pulpwood Accounting, Controller's Department, Millinocket.

TERMINATIONS

RAYMOND E. BOWERS, Junior Engineer, Central Engineering Department, Millinocket.

* * *

EDWARD J. BURKE, JR., Salesman, Columbia District Office.

RETIREMENT

THOMAS RUSSELL, Staff Superintendent-Operation, Pulpwood Procurement Department, Greenville, after nearly 35 years.

ANNIVERSARY

HAROLD A. GRANT, Area Foreman, East Millinocket Mill, 15 years on August 29.



GREAT NORTHERN PAPER COMPANY NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 7

Stamford, Connecticut

August 9, 1971

GNN NET CONTINUES TO DECLINE BUT SHOWS SOME IMPROVEMENT

On July 15, Great Northern Nekoosa Corporation reported second quarter net income of \$3,466,000, down 33.5% from \$5,212,000 a year ago, but showing some improvement over the previous quarter.

Earnings were \$.64 a share, \$.63 fully diluted, compared with \$1.11 and \$1.06 fully diluted in the second quarter of 1970.

Sales were \$86,109,000 as against \$88,481,000 for the same period last year.

For the first six months, net income amounted to \$6,132,000, or \$1.13 a share, on sales of \$170,332,000.

Sales were off 4.8% from the comparable period a year ago, and net income was 42.5% lower.

Peter S. Paine, Chairman and Chief Executive Officer, said that results continued to be affected by soft market conditions and cost increases in labor, materials and fuel oil.

He pointed out, however, that "price increases on certain of our grades, which became effective during the second quarter, coupled with vigorous cost reduction efforts in all areas were beneficial to results."

Mr. Paine also noted that labor contracts with employees of our Wisconsin mills were renegotiated for two years.

"The sale of the coater facility at Nekoosa and a long-term paper supply contract with the 3M Company were consummated in April," he said.

"Our short-term outlook at the present time is mixed. Some of our product lines have strengthened, but other areas offer little encouragement for immediate profit improvement.

"We anticipate an upturn in general business conditions, perhaps by the fourth quarter, which is needed to bring about a return to a more normal level of earnings," Mr. Paine concluded.

Production for the seven months ended July 31. . . .

Production:	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	388,291	2,048	426,443	2,081
East Millinocket	211,273	1,016	227,284	1,090
Millinocket	175,415	837	188,484	904
	774,979	3,901	842,211	4,075

Old Newspapers Seen Suitable for Cattle Fodder. Maybe old newsprint makers knew it all along, notes a recent issue of Pulp & Paper Magazine, but newsprint appears to have nutritional value, for cows at least.

In addition, the Department of Agriculture claims that used newsprint, when blended in with other ingredients, makes good cattlefeed.

The other ingredients include molasses, soybean meal, vitamins and minerals.

Cows convert the paper fibers into carbohydrates and the inks are harmless.

"Although newsprint has not been promoted for human consumption, feeding the leftover Times, Tribune or Daily Star to Elsie and Daisy would mean more growing space and food for man. At the same time, however, the recyclers of newsprint would have a new competitor to contend with," notes Pulp & Paper."

* * *

Wisconsin Boasts World's Original Test Tube Tree. While millions of people have read about the world's first test tube tree,

those who want to see it will have to go to Wisconsin.

The tree, produced in the Forest Genetics Research Department of The Institute of Paper Chemistry, Appleton, is the result of a study conducted on behalf of the pulp and paper industry.

The Institute's specific aim is to produce more usable fiber per acre.

The tree was produced outside the natural body of a plant through a process called "tissue culture."

In this process, cells are stimulated to reproduce on a portion taken from a living tree. Subsequently, genetic information is allowed to pass to the newly developing cells, causing the formation of roots and shoots.

When a root and shoot develop in a joined condition on the new cells, a complete plant exists. All of this is done in the laboratory in a Petri dish.

The process produces a tree that is an exact copy, genetically, of the tree from which the starting material was taken--in this case, a triploid aspen.

At 162 days old, the test tube tree stood 18 inches. It had grown to 54 inches at age 239 days.

According to Dr. Lawson Winton, Director of Research at the Institute, (continued on next page)

"this is but a step in what we hope will be the mass production of genetically identical trees for further experimentation.

"These trees will not become seedlings planted in the forest, but will be used as parents to produce better trees that will then be planted in intensively managed forests."

NORTHERN DIVISION

No. 4 Paper Machine at East Millinocket, which had been down since May 17 to help bring inventory in line with sales, was started up on July 26.

* * *

Recycling. Lab work on froth flotation deinking of recycled directories is continuing, according to R&D.

To date, Western Electric directory (white and yellow pages) paper has been pulped, and ink has been successfully removed by froth flotation.

Montgomery Ward catalog paper has also been deinked by this method. However, little success has been made in deinking newsprint.

Nevertheless, progress continues to be made, and work is being done to determine accurately the costs and pulp yields.

* * *

GN's Last River Drive is progressing on schedule, and approxi-

mately 90% of the wood has been sluiced through Ripogenus Dam.

Present work being done above the Dam consists of cleaning up the "rear" of the drive.

* * *

West Branch Road. The Bridge Construction Company of Portland has begun the final link (Section 8) in the West Branch Main Truck Road.

Part of this section is scheduled for completion in December and will be used for the Scott Brook Operation.

* * *

No. 5 Paper Machine Rebuild. After being down for two months, No. 5 Paper Machine at Millinocket was started up in mid-June.

Major equipment installed during the rebuild included a four-roll calender stack, venta-nip press and breaker stack, and selectifier screen.

According to Donald G. Griffie, Manager of Engineering, start-up of No. 5 has increased the roto grades production capability at Millinocket to three machines.

* * *

The New North Filter on the B-7 bark effluent conveyor is now in operation and running successfully.

The result is that practically all the overflow of bark from the shredder tank to the sewer has been eliminated.

In addition, solids going into the sewer has been reduced by about (continued on next page)

15 tons a day.

The bark removed by the new North Filter dewaterers readily by hand and does not appear to affect the press operation.

* * *

The Annual Foreman's Picnic was held on Thursday, August 5, at the Rice Farm in Millinocket.

The more than 400 attendees enjoyed an afternoon of fun and games, followed by steak, lobster and steamers.

* * *

Scouts' Dream a Reality. With the establishment of the four million acre Maine-Matagamon Wilderness Base on the northeast corner of Baxter State Park, seeds sown seven years ago for the Boy Scouts' "high adventure" program are now being reaped.

Great Northern was one of 14 major landowners who contributed to this wilderness base.

The region will be opened July 17 through August 17 to a limited number of Scouts. In the first few years of operation, it is expected that wilderness camping will be made available to between 3,000 and 5,000 boys.

Eventually, it is hoped that 10,000 Scouts will be using the region on a year-round basis.

The base of operations will be Grand Lake Matagamon, and the area available for Scout use includes Baxter State Park, Traveler's Mountain Range, Mt. Katahdin, as well as the Allagash, St. John River and Penobscot River watersheds.

Other than the base camp at Matagamon Lake, where cabins will be built, the rest of the area will remain wilderness, offering Scouts the opportunity to explore the rugged terrain.

SOUTHERN DIVISION

Fuel Oil Price Reduction. Great Northern and Hess Oil Company, a division of Amerada Hess Corporation, recently negotiated a reduction in the cost of fuel oil used at Cedar Springs.

Effective July 1 through June 30, 1973, the new price per barrel--based on GN's annual consumption of one million barrels--will result in a savings of approximately \$500,000 a year.

In spite of this savings, however, our fuel oil costs have increased 29.5% in the past year.

* * *

Southern Division Wins Two Awards. Our Cedar Springs mill was among 11 pulp and paper mills in Georgia cited for anti-pollution efforts.

In awarding the Good Citizenship Medal, Governor George Wallace noted that all 11 mills had had their air pollution abatement plans approved by the State Health Department's Branch of Air Quality Control.

GN has also received a "Certificate of Appreciation" from the National Economic Commission of the American Legion.

(continued on next page)

During 1970, 75 of the 255 new employees hired at Cedar Springs were veterans. The American Legion also noted that of our 824 employees in the South, 415 are vets--"The award you receive here tonight, said Georgia's Commissioner of Labor Sam Caldwell, "is token at best.

"Your company's real award is the knowledge that you have served men and women who have served our great country, and that is an award on which the gold will never tarnish."

* * *

Ashdee Layup System Installed.

After a thorough study of the cost and performance advantages, Great Northern Plywood Company decided in December 1970 to remove the conventional roller glue spreaders and layup system and install a new curtain coater and layup system.

On May 7, the last bolt was tightened and the new equipment started up. When the first panel came out of the hot box, it was rushed into the knifing test to determine the strength of the glue bond.

"The panel looked so good," W. K. Hoseid, VP and General Manager recalls, "that we decided to send samples to the American Plywood Association lab for further testing.

"The results were 100% wood failure on all five samples, indicating that the glue bond was stronger than the wood--and you can't ask for anything better!"

The curtain coater, a system of applying liquid coatings, has long been used as a means of applying paint, wax, hot melt adhesives and other fluid materials. Its use as a method of applying glue in the manufacture of plywood is new within the past year, and results in a more even and consistent application.

The new system simply employs a low pressure head-box of glue. This is forced out in a continuous curtain and applied to the veneer before it goes into the presses.

The veneer is conveyed through the curtain at a predetermined speed, thus allowing a closely controlled amount of glue to be applied.

The new system, manufactured by Ashdee of Evansville (Ind.), uses adhesive produced by the Borden Chemical Company.

"The result," notes K. Hoseid, "is greater productivity, stronger glue bond, lower glue costs and less waste of veneer."

NEKOOSA EDWARDS

\$13.1 Million for Pollution Control. NE recently announced plans to spend \$13.1 million over the next three years for pollution abatement facilities at its Port Edwards and Nekoosa mills.

In compliance with the Wisconsin Department of Natural Resources (DNR) orders to clean up the Wisconsin River, \$6.5 million is for a chemical recovery plant at Port Edwards.

The other \$6.6 million will be spent for solids reduction facilities at Port Edwards and BOD (biochemical oxygen demand) and solids reduction projects at Nekoosa.

* * *

Two-Year Contract Signed.

Nekoosa Edwards and four unions representing operating employees at the company's Port Edwards and (continued on next page)

Wisconsin mills have reached agreement on a two-year contract, retroactive to June 1, 1971 and extending to May 31, 1973.

Total cost of the settlement is approximately \$.63 per hour. The wage increase for the first year is \$.29 an hour.

The second year increase is \$.26 per hour.

Improvements were made in group insurance and the retirement plan. In addition, another paid holiday, Easter Sunday, will be added.

* * *

"Supplier of the Year." At the annual sales meeting of West Coast Paper Company, Seattle, NE was selected "Supplier of the Year."

The award was presented for "the greatest continuing supplier contribution to West Coast Paper."

NAMES IN THE NEWS

JAMES R. ADAMS, Manager of Personnel, Millinocket, attended a recent Industry-Government Teleconference on the Williams-Steiger Occupational Safety & Health Act.

Sponsored by the National Association of Manufacturers, the Teleconference provided the Government with an opportunity to describe to industry representatives the background of the new law, how

it will be administered and how industry must comply.

* * *

RAYMOND E. BOWERS, Junior Engineer, Central Engineering Department, Millinocket, recently attended the University of Maine's Pulp and Paper Summer Institute.

* * *

SAM A. CASEY, President of GNN, participated in an investment forum sponsored by Loewi & Co., Inc. on June 18 in Milwaukee.

Mr. Casey was also the guest speaker at a Company-sponsored dinner in New York City on June 18 for the business-financial press.

* * *

HENRY J. DEABAY, Supervisor-Woodlands Personnel, Millinocket, was the guest speaker at the Spring meeting of the Northeastern Technical Division of the American Plywood Association. His topic was "Logging Safety."

* * *

W. K. HOSEID, Vice President and General Manager, Great Northern Plywood Company, was recently elected to the Board of Trustees of the American Plywood Association. He is one of 13 voting members.

JAMES W. RICHARDSON, Woodlands Manager, Cedar Springs, has been named Vice President of the Georgia Forestry Association. He will also serve on the Association's Pulpwood and Survey Study Committees.

* * *

E. REID SMITH, Traffic Manager, Cedar Springs, recently participated in a panel discussion, sponsored by the Southeast Shippers Advisory Board, on closer cooperation between railroad and industry shippers.

" P E R S O N N E L I T I E S "

NEW EMPLOYEES

MICHAEL P. DONOVAN has joined GN's Board Sales Division, Stamford, as Southeastern Sales Representative.

* * *

JAMES T. DOWNIE has joined the Finance Department, Stamford, as Manager of Credits and Collections.

* * *

MARTIN J. FORD has joined the Controller's Department, Stamford, as Senior Accountant.

SCHUYLER J. MORRISON has joined the Research & Development Department, Millinocket, as Research Engineer.

PROMOTIONS

JAMES D. DARLEY has been promoted from Dry End Foreman to Technical Assistant, GN Plywood.

* * *

THOMAS L. GRIFFIN has been promoted from Junior Engineer to Engineer, Central Engineering Department, Millinocket.

* * *

WILLIAM H. SIMPSON has been promoted from Structural Inspector to Chief Field Engineer, Central Engineering Department, Millinocket.

* * *

ALFRED L. TERRY has been promoted to Paper Mill Foreman No. 3, Cedar Springs.

TRANSFERS

VICTOR M. ANTONIELLO, Manager of Budgets and Consolidations, Controller's Department, has transferred from Millinocket to Stamford.

ALFRED A. COWETT, Supervisor-Road Construction & Maintenance Trucking, has transferred to Foreman-Chip Plant, Pulpwood Procurement Department, Aroostook Area.

* * *

HARVEY C. MOODY, Research Engineer, Research & Development Department, Millinocket, has transferred to Nekoosa Edwards as Technical Assistant to the Pulp Mill Superintendent.

TERMINATIONS

BOBBY R. HAMRICK, Paper Mill Foreman 1 and 2, Cedar Springs, after nearly 8 years.

* * *

MILTON A. MEYERS, Sales Representative, Sales Department, Stamford, after nearly 39 years.

* * *

DANIEL L. WILLIAMS, JR., Director of Marketing-Board Sales, Stamford, after nearly 3 years.

* * *

GERALD L. WILSON, Supervisor-Pulpwood Accounting, Controller's Department, Millinocket, after 2 years.

ANNIVERSARIES

GEORGE K. CASEY, Day Foreman Paper 1-6, Millinocket, 35 years on June 17

* * *

JAMES A. GOODWIN, Tour Foreman Paper 1-6, Millinocket, 35 years on August 10.

* * *

LAWRENCE A. BAKER, Systems Analyst, Administrative Services Department, Millinocket, 15 years on June 18.

* * *

PAUL I. FIRLOTTE, Chief Electrical Engineer, Central Engineering Department, Millinocket, 15 years on June 18.

* * *

STANLEY R. NASON, Operations Supervisor, Administrative Services Department, Millinocket, 15 years on July 2.

* * *

RICHARD T. THAXTER, Resources Research Group Leader, R&D, Millinocket, 15 years on July 2.

* * *

PAUL F. WILLARD, Service Foreman, Millinocket, 15 years on July 16.



GREAT NORTHERN PAPER COMPANY

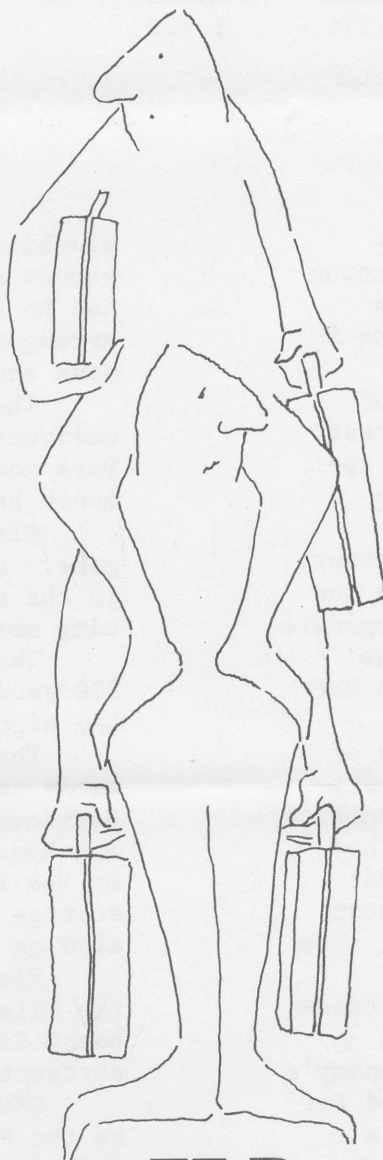
NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 6

Stamford, Connecticut

June 7, 1971



Which way to 75 Prospect St.?

Are we ever happy!

After months of preparation, we've finally packed up our bags and have arrived in Stamford.

And starting today we've started to work here.

Who are we? Great Northern Nekoosa.

The country's leading independent supplier of newsprint. The kind newspapers

are made of. The country's leading producer of paper for computers. And a major producer of high-grade business communication, printing and publishing grades.

In short, we're a paper company.

From now on you'll find us in Stamford. Not making paper though. But selling it and managing our company. Because Stamford is now our corporate headquar-

ters. As well as the executive and eastern sales offices of Great Northern Paper and the eastern regional sales office for both Nekoosa Edwards Paper and Whiting-Plover Paper.

In all, about 125 people will be here.

Stamford, it's nice to call you home.

**GREAT
NORTHERN
NEKOOSA
CORPORATION**

Production for the five months ended May 31. . . .

	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Production:				
Cedar Springs	271,509	2,042	306,754	2,096
East Millinocket	157,701	1,051	164,517	1,097
Millinocket	127,037	847	137,802	919
	556,274	3,940	609,073	4,112

Relocation--Fait Accompli.

After many, many months of planning and anticipation, the move from New York City to Stamford became a reality on May 3.

The ad on the front page of this Newsletter, introducing Great Northern to our new neighbors, appeared in The Stamford Advocate that evening.

Housed in our new, three-story, 39,000 square foot building are the 109 people who comprise the corporate officers of GNN and GNP, and the former New York sales staffs of GNP and Nekoosa Edwards.

In addition, seven members of the Administrative Services Department and two from Salary and Benefits moved down from Millinocket. They arrived early, in September, and set up temporary headquarters next door. From this vantage point, they were able to give us "Sidewalk Superintendent" reports on construction delays.

As you may recall, the Company's original relocation plans called for a November 1 moving date. These plans, however, were hampered by numerous delays--some beyond our control.

Although the shell of the new building was standing, the interior had to be completely designed;

plumbing, piping, wiring and telephones had to be installed; furniture had to be selected and bought; and arrangements for the actual physical move had to be made.

There were construction delays, delivery delays, and then the New York movers went on strike one month before our May 1 target date.

Flexibility was the name of the game. However, now after one month in the new offices, things are running more smoothly.

The building is set back about 200 yards from the sidewalk between two high-rise apartments.

The Reception area, Nekoosa Edwards sales office, and Administrative Services, Transportation and Salary and Benefits departments are located on the first floor. The Mail Room, storage areas and the Cafeteria are also on this floor.

Second floor residents include the Sales, Market Research, Export, Board Sales, Order and Scheduling departments.

GNN and GNP officers, as well as the Finance and Public Relations and Advertising departments are on the third floor. When completed, the Board Room and a large Conference Room will also be on the third floor.

The second and third floors are
(continued on next page)

designed around a large center courtyard and enclosed skylight (still under construction).

Enhanced by a live 15-18 foot tree, the courtyard will also contain a wooden staircase connecting all three floors.

There is still an assortment of odds and ends to be cleared up, but one of these days we'll get organized!

* * *

Attached to the issue of the Newsletter is a copy of the "Annual Meeting Report."

Additional copies may be obtained from the Public Relations and Advertising Department.

* * *

GNN Makes FORTUNE 500. Based on sales of more than \$355 million, in 1970, its first full year of operation, Great Northern Nekoosa Corporation ranked 289 in Fortune Magazine's list of the 500 top U. S. companies.

In last year's Fortune 500, Great Northern Paper ranked 461 and Nekoosa Edwards 490.

* * *

World Paper Use May Double. According to a recent article in The Wall Street Journal, world paper and paperboard consumption could more than double to 285 million tons by 1985.

In 1969, total world consumption amounted to 123 million tons.

Borje K. Steenberrg, Assistant Director General of the Forestry De-

partment of the United Nations' Food and Agriculture Organization, noted that printing and writing papers will show a more rapid growth than newsprint.

Consumption of the former could rise from 21% to 23%, while newsprint usage is expected to decline from 17% of world markets to 14%.

* * *

Anti-Pollution Outlays Up 24%.

A recent study taken for The Conference Board, a business research organization, indicates that capital spending by 271 manufacturing companies for environmental controls increased by 24% over 1969.

A breakdown of the total \$487.2 million spent during 1970 shows \$212 million invested in air pollution control and \$275 million for water pollution abatement.

More than 75% of the expenditures was concentrated in four industries.

Paper and allied products led with more than \$100 million.

The other three leading industries were petroleum and coal products processors, chemicals and allied products, and iron and steel companies.

NORTHERN DIVISION

Newsprint Division Reorganized.

On May 17, Benjamin B. Appleton was appointed Manager-Newsprint Sales.

He succeeds Charles D. Tiedemann, who has transferred to the Cincinnati Office as Regional Manager.

In his new position, Ben will be responsible for directing the overall sales and marketing operations of (continued on next page)

GN's Newsprint Division through its four regional sales offices.

He will relocate to the Stamford Office where he will report directly to Joseph V. Carena, General Sales Manager.

A graduate of Colgate University and a former Marine Corps helicopter pilot, Ben joined GN's Sales Department in 1962. Two years later, he transferred to Chicago where he was named Regional Manager in 1968.

Ben has been managing the Cincinnati Office since last October.

* * *

Expanded Responsibilities. J. Paul DeMarrais, Eastern Regional Manager-Commercial Sales, has been assigned the additional responsibility of coordinating quality control and sales programs of Gate Roll Coater products.

He will also be in charge of broadening and increasing the market opportunities for Blade Coated Supercalendered papers.

In conjunction with this assignment, Albion L. Kelley, Senior Research Engineer, Research & Development Department, has temporarily transferred to the Manufacturing Department.

Both Paul and Al will coordinate their activities on this project with James M. Giffune, Control Superintendent, Millinocket Mill.

* * *

Second Machine Down. On May 14, Robert J. Shinnars, Vice President-Northern Division, announced that a second paper machine at East Millinocket had been shut down for an indefinite period.

Mr. Shinnars explained that a further reduction in newsprint production is necessary to bring inventory in line with sales.

* * *

No. 11 Progress Report. Under construction since April 1970, No. 11 Paper Machine and related areas are progressing on target and should be ready for start-up in the Fall of 1972.

Engineering and design work for both the paper mill and power plant are proceeding rapidly, notes Donald G. Griffie, Manager of Engineering.

The Machine Room, Trainshed/Warehouse, No. 4 Turbine and No. 4 Boiler buildings have all been erected and enclosed.

Construction of the Machine Shop Extension is scheduled to begin this Summer.

Most of the floors in the Machine Room Area have been completed, machine baseplates are being set, and machine lines established.

Various parts of the paper machine (a Black Clawson Verti-Forma) have begun arriving and installation will progress rapidly in the following months.

Tile work for the stock chests and the bleach tower has started, and lighting is being installed. Roof drain piping is 80% complete.

In the Boiler-Turbine Area, erection of the boiler has progressed on schedule and generator tubes have been installed.

Delivery of No. 4 Turbine is now slated for June (a month ahead of time) and start-up has been rescheduled from September 1972 to June 1972.

Increased Yard work will take place during the next several months.
(continued on next page)

The railroad spurs to the Trainshed will be built and the broke storage tank opposite the No. 11 building will be constructed.

On the river front, an 80-foot high sulfite storage tower will be built in addition to a groundwood white water tank and various pump houses and substation structures.

All in all, the entire No. 11 project is progressing as planned, if not faster, and everyone is looking forward to start-up in about 14 months.

* * *

Water Storage. As of May 26, our water storage was 54 billion cubic feet, or 5 bcf above rule curve and 94% of capacity.

Because the inflow to storage still exceeds the demand, there is a good chance that all reservoirs will fill.

* * *

Retirees' Banquet. Nearly 400 retired Great Northern employees attended this year's annual banquet on May 27.

Held at the Junior High School auditorium in Millinocket, the affair is the one formal occasion each year that brings old friends and co-workers together for happy reminiscing.

The evening's program began with a pre-banquet get-together that included a display of pictures showing the progress of No. 11 Paper Machine.

The auditorium was brightened by floral centerpieces (later presented to lucky guests), and each retiree and his lady was given a boutonniere and corsage.

Russell W. York, Training Director, Central Personnel, served as Emcee for the evening's events.

In keeping with the retirees' great interest in the welfare and progress of the Company, Robert J. Shinnors, VP-Northern Division, Scott B. Weldon, Manager of Manufacture, and John F. Marquis, Director of Purchases and Stores, detailed advances being made in Woodlands and in the Mills, and discussed our optimism for an improvement in the present economic conditions.

Entertainment for the evening was provided by Earl Bruce, a retired member of the Salary & Benefits Department, who read several poems by the late Oscar Nickerson, Sr., former Electrical Superintendent.

The oldest living retiree, Richard Herbert, who is 102 years of age, was unable to attend. However, Adelard Biladeau, 89 this year, was present for the festivities.

The evening was a tremendous success according to those who attended, and appreciation for this Company-sponsored affair was voiced by each of the honored guests.

SOUTHERN DIVISION

Out-Bound Barge Loaded With Linerboard. For the first time in its eight-year history, the Cedar Springs mill has turned to the contrary and sometime unnavigable Chattahoochee River as a means of transporting linerboard.

On May 7 and 8, workers loaded a double-barge shipment of about 1,350 tons of linerboard to be sent to Port St. Joe (Fla.) where it was transferred to ocean-going vessels bound for Africa.

According to Jerry D. Perkins, (continued on next page)

Director of Transportation, there has been an 18% increase in rail freight rates since June 1969, and we have been looking for an effective and less expensive mode of shipping linerboard.

"The cost of barging," he noted, "is more than \$2 a ton less than rail rates."

Although barges have been used for the past 18 months to bring fuel oil to Cedar Springs, this is the first time we have used them to ship our product.

"Barging linerboard is just beginning at Great Northern," he continued. "As navigation conditions on the Chattahoochee improve, we could easily barge 25,000-30,000 tons annually."

* * *

GNP Golfers in Pro-Am Tournament.

W. W. Ricketson, Mill Manager, and Howard D. Pugh, Purchasing Agent, were invited to participate in the 1971 Monsanto Open in Pensacola (Fla.) on April 14.

Playing with Bob Lunn, winner of this year's Glenn Campbell Los Angeles Open, Howard's team tied for second place with 16 under par.

Jack was teamed with Larry Ziegler, a pro from St. Louis (Mo.). At the end of play, they were 14 strokes under par.

* * *

Tri-Rivers Waterway. At a recent meeting, held in Dothan, the governors of Georgia and Alabama, and the personal representative of Florida's Governor Askew heard testimony from seven speakers regarding the problems of the Tri-Rivers Waterway System.

Concerned with the navigational problems of the Apalachicola, Chattahoochee and Flint Rivers, the meeting was designed to acquaint the three governors with the facts necessary to gain their cooperation in joint efforts to ask Congress and the U.S. Army Corps of Engineers to take the appropriate measures to remedy the lagging development of the waterway.

Included in the presentation was a documentary film showing the various river and bridge conditions that are hampering industrial and commercial development.

One feature of the film was U.S. Highway 84 bridge built over the Chattahoochee in 1929. Shippers needing the bridge raised must give a six-hour notice so that convicts can be taken from the state convict camp at Dothan to manually open the bridge. It takes 11 men to turn the hand crank.

E. Reid Smith, Traffic Manager at Cedar Springs, was among those testifying.

"Our waterways, transportation and navigation on the waterways has been neglected and has cost the area millions of dollars in loss of industry, loss of river transportation, lack of new industry locating along the rivers, and loss of thousands of jobs," he said.

Reid noted that the waterway was an "attractive feature influencing the location of our containerboard mill at Cedar Springs. We have invested \$125 million in plant and machinery, and we employ 1,100 people."

Great Northern is the largest single user of the Chattahoochee River. Annual consumption of fuel oil is over 1.3 million barrels, and we are 100% dependent on the river to keep our mill in operation, he noted.

While we have proven that the river is usable, there have been many, many problems," Reid continued.
(continued on next page)

"In one case, barges ran aground because the channel was only 4-5 feet deep. Low river conditions at another time caused a reduction in the barge carrying capacity, and the fuel oil inventory at the mill dropped to an unsatisfactory level."

He cited obsolete bridges as another problem besetting shipping. While the government is spending great sums of money developing rivers elsewhere, it is "apparent to me that due to lack of interest and enthusiasm by citizens of Alabama, Florida and Georgia, our waterways system has moved to the bottom of the class."

"I will close by saying that Great Northern and other users of the Apalachicola-Chattahoochee-Flint waterways sincerely hope that money will be made available to make whatever improvements are necessary to provide a nine-foot channel on a year-round basis, as well as alleviate the bridge restrictions," he concluded.

NAMES IN THE NEWS

HENRY J. DEABAY, Personnel Supervisor, Woodlands, and MERLE E. FENLASON, Pulpwood Buyer, Houlton, were recent guest speakers at the Houlton Forestry-Wildlife Forum.

Henry discussed the workman's compensation law, and Merle spoke on ways of estimating timber.

* * *

ROBERT A. HAAK, President, gave the commencement address at Stearns High School, Millinocket, on June 8.

* * *

RICHARD W. NOYES, Plant Engineer, East Millinocket, and SCOTT B. WELDON,

Manager of Manufacture, will participate in the 12th Annual Pulp & Paper Summer Institute at the University of Maine, June 20-July 2.

Dick's topic is "The Fourdrinier," and Scott will discuss "New Forming Methods."

" P E R S O N N E L I T I E S "

NEW EMPLOYEE

JAMIE H. ASHE has joined the Southern Woodlands Department as a Unit Forester.

PROMOTIONS

ELIZABETH GENTER has been promoted from Administrative Supervisor to Office Manager, Stamford Office.

* * *

WALTER E. HARBIN has been promoted to Paper Mill Foreman No. 3 at Cedar Springs.

* * *

WALTER D. VAIL has been promoted from Sales Trainee to Sales Analyst, Stamford Office.

* * *

KLINE L. WELLS has been promoted to Paper Mill Foreman No. 3 at Cedar Springs.

LEE H. WHEATON has been promoted from Associate Engineer to Junior Engineer, Central Engineering Department, Millinocket.

STANLEY G. HAWES, Salary & Benefits Supervisor, Stamford, 25 years on May 27.

* * *

TRANSFER

CHARLES L. NELSON, Superintendent, Woodlands Department, has transferred from the Greenville-Pittston Operating District to the newly formed West Branch District.

CLAIR G. PATCHELL, Tour Foreman, Millinocket, 25 years on May 3.

* * *

TERMINATIONS

JAGJIT S. BHULLAR, Senior Engineer, Central Engineering Department, Millinocket.

WARREN C. SPEARIN, Sales/Production Coordinator, Stamford, 25 years on April 22.

* * *

* * *

DONALD J. PLOURDE, Staff Accountant, Administrative Services Department, Millinocket.

JOSEPH E. FARMER, Industrial Relations Assistant, Cedar Springs, 15 years on June 6.

* * *

* * *

CHESTER R. TWEEDIE, Power and Recovery Foreman, Power Systems Department, Millinocket.

WARREN B. METCALF, Electrical Design Engineer, Millinocket, 15 years on June 4.

* * *

ANNIVERSARIES

LEONARD J. BARON, Tour Foreman, Millinocket, 35 years on May 1.

CHARLES E. PARSONS, Insurance & Pension Coordinator, Millinocket, 15 years on May 14.



GREAT NORTHERN PAPER COMPANY NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 5

Stamford, Connecticut

May 10, 1971

GNN REPORTS LOWER 1ST QUARTER EARNINGS

On April 21, Great Northern Nekoosa Corporation reported first quarter net income of \$2,666,000, or \$.49 a share, \$.48 fully diluted.

This represents a 51% decline from our record first quarter of 1970. Sales for the 1971 quarter were also down--\$84,223,000 compared with last year's \$90,465,000.

In reviewing the first quarter, Peter S. Paine, Chairman and Chief Executive Officer, noted that our results reflect the reduced demand which has plagued the economy generally, as well as the sharp increases in wages, freight and materials, including an unprecedented rise in the cost of fuel oil.

Our overall performance was further affected by the loss of 25,000 tons of linerboard production due to major repairs to a turbine generator at Cedar Springs.

GNN has reacted to the decline

in income in two ways, Mr. Paine explained: by cutting costs and by raising prices.

To reduce costs, we have eliminated jobs and services not essential to our operations at the present level of business.

As we all know, it is difficult to raise prices in a period of market weakness. However, in April some important increases became effective, and we hope they will help to return our profit margins to a satisfactory level.

Since the year began, a total of \$10 million has been authorized for capital expenditures.

These major items include a chemical recovery plant and other improvements at Port Edwards; additional waste treatment facilities and a logging road serving our Maine mills; and the purchase of 10,000 acres of timberland near our Ashdown (Ark.) mill.

Capital expenditures for the year
(continued on next page)

Production for the four months ended April 30. . . .

Production:	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	208,135	2,026	240,453	2,086
East Millinocket	129,330	1,087	130,771	1,099
Millinocket	101,610	854	109,380	912
	439,075	3,967	480,604	4,097

on all projects, including our Millinocket expansion, are expected to total about \$32 million.

Mr. Paine noted that little has occurred since the end of 1970 to improve the outlook for the paper business during 1971.

However, there are indications that an upturn in the general economy is taking hold.

If it does, Mr. Paine said, the improved supply-demand relationships and the opportunity for further price increases offer some basis for confidence that our first quarter will prove to be the low point of 1971.

* * *

Pollution Control Highlights
Annual Meeting. At GNN's first annual meeting, May 4 in Millinocket, Peter S. Paine told an audience of stockholders that immediate construction of primary waste treatment facilities will begin at Millinocket.

The project, he noted, will require an investment of about \$3 million and will take approximately 18 months to complete.

Recalling the success of our \$10 million MgO recovery plant, Mr. Paine said the new program was another example of GNN's positive

commitment to a cleaner environment.

"Other anti-pollution measures are being taken at our Wisconsin mills," he said, "and include an investment of \$6.5 million for the installation of an evaporator-burner expected to be in operation by early 1973."

"1971 will also mark the last of our river drives. At a cost of some \$2.5 million, we have built a 65-mile road in Maine over which pulpwood will move from the forest to our mills."

Returning to the new waste treatment facilities, Mr. Paine noted, "We are hopeful that in financing this latest project, GNN will be able to take advantage of a new law just adopted by the State of Maine. This law permits industrial anti-pollution facilities to be owned and financed by municipalities without any cost to the taxpayer."

In this instance, Mr. Paine said the town of Millinocket would issue bonds which would be serviced by rental payments from Great Northern in return for a long-term lease of the facility.

In other action, GNN stockholders approved an increase in the authorized common stock from six million to nine million shares and re-elected 13 directors to the 15-man board.

The two new directors elected
(continued on next page)

are Nathan R. Owen, Chairman, General Signal Corporation, and James W. Walker, Vice President, Brady Security & Realty Corporation.

Both men were directors of Great Northern Paper Company before the merger last year with Nekoosa-Edwards Paper Company.

* * *

GNP Receives Award. "For making environmental excellence a basic condition in the pursuit of corporate goals," GNP has received an Honor Award from The Environment Monthly Magazine.

The citation was presented to Robert A. Haak, President, in recognition of our MgO recovery plant in Millinocket.

* * *

New Insurance Carrier. Effective June 1, Great Northern will change its life insurance carrier from the Aetna Life Insurance Company to the Unionmutual Life Insurance Company of America.

Headquartered in Portland (Me.), UM is one of the oldest insurance companies in the United States and has offices in Canada.

After reviewing the competitive proposals submitted to us by various insurance companies, Great Northern decided that Unionmutual's was the most attractive.

There will be no changes in the levels of coverage now provided. Booklets describing the UM program should be available to all employees by the middle of June.

In most instances, employee payroll deductions for insurance coverage will be reduced to the levels

in effect prior to last January's increases.

NORTHERN DIVISION

Paper Machine Shutdown. One of the small machines at East Millinocket was shut down on May 3 for an indefinite period.

Robert J. Shinnars, VP-Northern Division, explained that a reduction in newsprint production is necessary to bring inventory in line with our sales.

"This action," he continued, "is consistent with that taken by several Canadian manufacturers who have either reduced newsprint capacity or announced their intent to do so."

With one paper machine down, our daily capacity of about 2,000 tons will be reduced to approximately 1,900 tons.

Referring to cutbacks in personnel necessitated by the shutdown, Mr. Shinnars noted that additional cutbacks will be made at both mills.

Current layoffs, he concluded, would involve both production and maintenance employees.

* * *

Safety and Health Law. On April 28, a new Federal Occupational Safety and Health Act became effective.

As a result, some of the time-honored approaches to accident prevention have changed.

Included in the Act are provisions for new standards, new methods, an enlarged scope of record-keeping systems, as well as the inspection (continued on next page)

of Company operations by Federal Inspectors.

After carefully reviewing this new law and how it will affect our Northern Division operations, Central Personnel reports that the new safety regulation is a modification of practices already existing within the Company.

There will be some minor changes in our record-keeping systems, as well as overall educational programs to expose all personnel to the Government criteria. As a result, maintaining these standards should become a matter of routine procedure.

* * *

Television for Training. The production of video training tapes has been initiated in conjunction with GN's Master Journeyman Program.

The 20-minute tapes are designed to provide Class "A" Journeymen with procedures, tricks-of-the-trade and instructions on how to do a given job.

Prior to providing these new training tapes, job know-how had been a matter of on-the-job experience. In some cases, this type of learning could require a number of years of service before the individual employee came in contact with all of the repair functions associated with any of the Journeyman trades.

Producing the tapes was a joint effort of the Training and Maintenance Departments.

Using modern television equipment, the Training Department went to the site of an overhaul, a machine teardown and other activities to film both the work of our Maintenance staff and demonstrations given by manufacturer's representatives.

After the final editing and dubbing-in of audio instructions and comments, the tape was turned over to the Library where it will be available to employees for training purposes.

In talking with representatives of other companies, it appears that our program is one of the most comprehensive in operation.

* * *

Tibetans to Receive Skidder Training. Orville Tripp, Area Superintendent-Ashland, is taking advantage of the closing of woods camps during the Spring breakup in order to give additional skidder maintenance and operation training to 21 Tibetans.

Since their arrival in September 1969, the Tibetans have been attending supplementary classes in English, math, spelling and social science on Saturday mornings.

Because of their increased understanding of English, Mr. Tripp's special training classes should be more meaningful and help increase their daily output.

* * *

No. 5 Paper Machine Rebuild. Shut down on April 5 for a major overhaul and rebuild, No. 5 Paper Machine at Millinocket is scheduled for start-up on June 1.

Major equipment to be installed during the shutdown includes a new Farrell four-roll calender stack, Beloit venta-nip press in the second press section, smooth press and breaker stack in the dryer section. (continued on next page)

Wet end improvements will include new primary cleaner cones, selectifier screen, headbox recirculation and couch draw control.

A Lincoln Lube System and dryer drainage and steam fittings and syphons in the dryer section will also be installed.

When this major overhaul has been completed, Roto grades will be manufactured on No. 5.

* * *

Skidder Loan to High Schools.

For the second consecutive year, GN has made skidders available to local high schools that offer logging and forestry training.

In March and April 1970, three Company skidders were used by the schools for a three-week period. This year, a loan of two skidders was made for four weeks.

Great Northern's "skidder lending" policy is part of a program sponsored by the American Pulpwood Association, in conjunction with the University of Maine and various paper companies, to encourage more schools to offer forestry and logging courses.

* * *

On-Machine Coater. No. 9 Paper Machine started up on April 1 after being down since February 1 for a major rebuild and installation of the mill's first on-machine coater.

The machine started up on uncoated grades, and the first coating trials were started on April 7th. Results to date have been quite good.

SOUTHERN DIVISION

Forest Fire Danger Ratings for the Southeast reached critical levels during March and April because of little or no rainfall.

During this period, several fires of incendiary origin occurred on or near GN holdings in Alabama. Quick and effective action by Company and State fire suppression crews held acreage losses to a minimum.

* * *

Hardwood Control. According to the Southern Woodlands Department, operations are underway to control or eliminate the growth of undesirable hardwood species on pine plantation sites established this winter.

Control measures include the injection of herbicide into the trunks of the unwanted trees. Mortality is usually observed within four to eight weeks after injections are made.

The trunks of treated trees are left standing and they gradually decay, returning organic matter to the soil.

Approximately 2,500 acres of Company holdings will receive this treatment during 1971.

* * *

The 1970-71 Tree Planting Season ended in March, and preparations for the 1971-72 planting program are being made at this time.
(continued on next page)

Lands that have been cut over and do not have sufficient stands of natural reproduction will receive site preparation treatments as needed to clear the areas of logging debris, undesirable sprouts and cull hardwood stems.

Treatments include the use of prescribed burning techniques, mist blown applications of chemicals and mechanical means.

More than 4,000 acres are scheduled to receive various combinations of treatments during 1971.

NEKOOSA EDWARDS

Safety Award. The Nekoosa mill of Nekoosa Edwards Paper Company, Inc. has received the American Paper Institute 1970 Safety Award for having the lowest five-year cumulative disabling injury index of all paper mills operating with 2,500,000 man hours annually.

The cumulative disabling injury index is obtained by taking into account man hours worked and the frequency and severity of disabling accidents.

Richard Moser, Manager of the Nekoosa mill, accepted the award at the API Convention in New York in March.

Gerard E. Veneman, President, noted that "the employees of the Nekoosa mill worked diligently to accomplish this excellent record, and we are extremely proud of them for earning this safety award in competition with 49 other mills in the country.

MANAGEMENT NOTES

"How to Meet with Success."
(Excerpted from Nation's Business, March, 1971.) Management conferences can and should produce profit-making decisions, develop personnel, and establish worthwhile goals and a climate that promotes the will to work together.

All that is required is a philosophy for conferences--and attention to a three-step system.

If top personnel in the firm really believe in participative management, they must give the conference the dignity and recognition it deserves.

Furthermore, a basic fact must be accepted and become a part of management philosophy: The group meeting or conference, where plans are made, objectives established and decisions reached, is an integral part of the company's management procedures and decision-making process.

Decisions reached at such meetings will be put into practice as soon as is reasonably possible.

Once the philosophy is established, following the three-step plan almost becomes a matter of mechanics.

Step 1: The Preconference Period. The preconference period requires a brief discussion among key personnel which establishes the need for the conference. Then there must be a decision on what type of conference will best serve the immediate situation:

--Informational--Where data and information are disseminated.

(continued on next page)

--Problem solving--Where input from concerned personnel is vital in arriving at solutions.

--Brainstorming--Where almost anything goes, so long as the communication falls within the broad parameters of exploring the topic or solving the problem under discussion.

It is imperative that the announcement and agenda be sent out approximately 7 to 10 days prior to the meeting.

There are distinct advantages. Participants who wish to do so may prepare for the conference. Discussions are easily and tactfully curbed by the conference leader. All participants know who has been invited, and can plan, if necessary, proper strategy.

Step 2: The Conference Period. If the conference is to go well, it is vital that the leader set the right climate. He must know his people and watch his time.

He must be careful not to march down the list from the first point to the last, pushing discussion here, cutting off comments there.

Rather he must stimulate discussion so that his topics are covered, and the participants feel they have made significant contributions.

The most important point for the leader to keep in mind is: "Don't dominate the meeting." The less he talks and the more the participants contribute, the more successful he will be in attaining meeting objectives.

The leader should prepare a few good questions for each topic on the agenda. If discussion slackens, he can throw a question to the group. At the appropriate moment, the leader should also step in to summarize discussion on

a topic and then move the group on to the next point.

Everyone who leaves a meeting should feel something has been accomplished. That feeling often can be insured if the last 10 minutes are handled properly. It's then that the discussions should be brought into focus. Conclusions and decisions must be arrived at.

Step 3: The Postconference Period. The problem has been defined, the meeting planned and the session held.

But the conference is not over. And it's in the post-conference period that a new link is fashioned.

Those who called the meeting should sit together and determine what the session accomplished, how the results or findings fit into overall company objectives and what the next logical step should be.

The conference decides which way to go by common agreement. If it's well run, it is an outstanding management vehicle.

NAMES IN THE NEWS

ARTHUR E. DENTREMONT, Mill Manager, Millinocket, was a guest speaker at the Gravure Technical Association's annual meeting in Chicago on April 27. He discussed "Paper Requirements for Wider and Higher Speed Roto Gravure Presses."

* * *

STEVEN KOZLOVICH, Product Development Supervisor, Research (continued on next page)

and Development Department, Millinocket, will be a guest speaker at the TAPPI Coating Conference, May 17-20. His paper will discuss "Computer Evaluation of Pilot Coater Results."

* * *

JOHN T. MAINES, Vice President-Woodlands, has been named a Director of the Maine Forest Products Council. He has also been elected Chairman of the Forestry Committee of the U of M Pulp and Paper Foundation.

* * *

PETER S. PAINE, Chairman and Chief Executive Officer, GNN, recently participated in a panel discussion on the paper industry sponsored by Institutional Investor Magazine.

* * *

E. REID SMITH, Traffic Manager, Southern Division, has been elected General Secretary of the Southeast Shippers Advisory Board.

" P E R S O N N E L I T I E S "

PROMOTIONS

CHARLES B. GILMAN has been promoted from Senior Engineer to

Senior Design Engineer, Central Engineering Department, Millinocket.

* * *

JOSEPH D. WRIGHT has been promoted from Paper Mill Foreman No. 3 to Acting Paper Mill Foreman Nos. 1 and 2 at Cedar Springs.

TRANSFER

ROBERT C. UNDERKOFFLER, Senior Engineer, Central Engineering Department, Millinocket, has transferred to Nekoosa Edwards.

TERMINATIONS

E. THOMAS BRIDGES, Technical Assistant, Paper Mill, Cedar Springs.

* * *

JAMES W. CROFT, Paper Mill Foreman No. 3, Cedar Springs.

* * *

CHARLES G. EDDINS, Paper Mill Foreman Nos. 1 and 2, Cedar Springs.

* * *

CHARLES L. FREEMAN, Junior Engineer, Central Engineering Department, Millinocket.



Jack

GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 4

New York, New York

April 5, 1971

FIRST QUARTER EARNINGS EXPECTED TO BE LOWER

In a recent interview with The Wall Street Journal, Peter S. Paine, Chairman and Chief Executive, and Samuel A. Casey, President, said that GNN first quarter earnings will drop below the \$.58 a share earned in the fourth quarter of 1970.

They also noted that first quarter sales are expected to fall to about \$85 million, compared with \$90.5 million in the same period of 1970.

"I look for a better second quarter and a greatly improved fourth quarter," Mr. Paine said.

Great Northern Nekoosa is still facing lagging demand and soft prices in several paper lines, he added, and our mills are operating at about 90% of capacity, down from 100% a year ago.

Mr. Paine explained that when the turbine at Cedar Springs was

shut down for 31 days for repairs, linerboard production was cut 25,000 tons from 180,000 tons capacity for the quarter.

Although linerboard prices were raised to \$121.39 a ton (from \$115 a ton) on March 1, the boost only brought back prices to levels of a year ago. At the same time, costs have risen \$5-6 a ton, Mr. Paine said.

Price increases announced in mid-March by makers of corrugated shipping containers raise the chances of another boost in linerboard prices by the end of the year, he said.

A newsprint price increase, originally slated for January 1, did not become effective until April 1, Mr. Paine added.

Mr. Casey said sales of office copier and duplicator papers remain "strong," while sales of paper to business form manufacturers are "somewhat weak." The company's sales to (continued on next page)

Production for the three months ended March 31. . . .

Production:	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	155,818	2,023	185,134	2,112
East Millinocket	98,088	1,090	97,774	1,086
Millinocket	78,200	869	82,627	918
	332,106	3,982	365,535	4,116

paper merchants are "very good," Mr. Casey added.

As a result of improving demand, a cost-cutting program and an up-grading of the product line, Great Northern Plywood is operating at a profit.

While the Company's internal cost-cutting program is proceeding well, "the external cost pressures are still very much there," said Emery E. Allain, VP-Finance. Great Northern expects the railroads that serve its Northern mills to receive a rate increase in April, he added.

Mr. Paine and Mr. Casey noted that capital expenditures for 1971 will be about \$30 million, the same as last year. Approximately half of this amount will be used for the No. 11 expansion program at Millinocket, which should be completed on time in October 1972.

Labor contracts, covering about 2,700 of the Company's 8,400 employees, expire this year. However, Mr. Paine and Mr. Casey said they don't expect difficulty in negotiating new contracts.

* * *

"Relocation Day." At long last, the corporate headquarters of GNN

and GNP and the New York sales offices of GNP and NE will move to Stamford.

"Relocation Day" has been slated for April 30--barring unforeseen construction delays, movers' strikes or acts of God!

(The move was originally scheduled for the Fall of 1970.)

The three-story, 39,000 square foot building is located at 75 Prospect Street, Stamford, Connecticut 06901, 203-359-4000.

* * *

GNN Annual Meeting. The Great Northern Nekoosa Corporation annual meeting of stockholders is scheduled for May 4 at 10 a.m. in the Multi-Purpose Room (E&R Building) at Millinocket.

This will be the new corporation's first annual meeting.

In addition to a recap of the past year's events, the agenda also includes the election of board members.

* * *

Rail Increase. The Interstate Commerce Commission has authorized (continued on next page)

railroads to apply an increase in freight rates.

"While a specific date has not yet been established, this increase will probably become effective about April 15," Jerry D. Perkins, Director of Transportation, said.

The level of increases authorized are 14% within the East; 12% in the West; 6% in the South; and 12% on traffic moving from the South to other regions of the country.

These freight rate boosts will replace the interim increases authorized last year--i.e., 8% in the East and 6% in the South.

Mr. Perkins noted that the only additional increase on Great Northern's traffic will be 6% in the East.

According to the ICC, "railroad revenues are not adequate to cover costs sufficiently and far more is needed to meet railroad needs fully and restore the industry to the status of reasonably good health and viability."

In accompanying orders issued on behalf of shippers, the ICC said carriers will be required to take prompt action to correct "deteriorating service," and the Commission will seek to push re-writing of freight tariffs to make it easier for shippers to learn applicable rates.

In calling for an upgrading of freight service, the ICC summarized various complaints. These included delays in movement of loaded cars, erratic delivery, poor roadbed maintenance and uncooperative worker attitudes.

Starting July 1, the ICC will require railroads to report quarterly on what they are doing to improve freight service. Investigation of the problem will continue until reports on corrective carrier steps are examined.

Circulation Increase. The remarkable stability of the newspaper business is demonstrated once again by the total circulation figures for the country.

In a year of inflationary pressures that saw the introduction of the 15-cent newspaper on a national scale, when declining advertising in some areas brought a net decline of 10 in the number of dailies, total daily newspaper circulation again showed an increase over the previous 12 months.

According to Editor & Publisher's 1971 Yearbook, on January 1, 1971 there were 1,748 daily newspapers in the United States, compared to 1,758 the year before.

This minimal decline was mainly due to the suspension of small dailies in small markets.

Newspapers showed a total circulation (as of Post Office statements at the end of September) of 62,107,527, compared to 62,059,589 in 1969.

While this is a gain of only about 50,000, it is significant because of the pressures that were calculated to depress daily circulation during 1970.

Those pressures did have an effect on Sunday circulation, however.

With 586 Sundays being reported for 1970 (585 in 1969), total circulation declined from 49,674,847 to 49,216,602.

The number of morning papers at the end of 1970 was 334 compared to 333 at the beginning of the year. Total circulation for these dailies was 25,933,783 compared to 25,812,063.

Evening papers and circulation declined: 1,443 to 1,429 and 36,247,526 to 36,173,744.

It should be noted, however, that nine new dailies started and survived.

With an improvement in economic conditions, particularly in newspaper publishing, there should be greater improvement in all the totals at the end of this year.

NORTHERN DIVISION

Recycling/Deinking. The theory of recycling and deinking newspapers, directories, catalogs and other printed material has recently come to the fore as still another method in pollution abatement and control.

In line with this, the Research and Development Department initiated a comprehensive multi-group project in March to study techniques for recycling and deinking groundwood printing papers.

The first part of this program was devoted to reviewing existing technologies and conducting preliminary experiments in order to determine those systems most applicable to Great Northern's products and problems.

To date, these preliminary studies have indicated that recycling/deinking of telephone directories will not present major problems.

What first must be resolved, however, are the logistics and economics of getting the used directories back to Millinocket.

According to Research and Development, it appears that recycled directories could be adequately deinked using existing technology, based on either washing or froth flotation methods.

(Froth flotation involves the development of a foam that rises to the surface of the ink and removes solid particles.)

Because it provides better yields and less serious effluent problems, the froth flotation method seems particularly attractive.

Continued study and experimentation is being conducted in this area.

All Company operated woods camps have been shut down as scheduled to wait out the Spring break-up of ice.

Some trucking continues, however, to clean up the last of the piled wood.

An annual occurrence, the Spring break-up time is used to overhaul or repair equipment necessary for the harvesting and delivery of pulpwood during the balance of the year.

This is also the time when the 1971-72 operations are reviewed--i.e., road locations, cutting volume and methods, trucking schedules, as well as the introduction or modification of support programs such as safety or record systems.

* * *

Water Storage. As of March 24, West Branch storage was 14.59 billion cubic feet, .6 BFC below rule curve and 25% of capacity.

The March 16 snow survey indicated above average water content. This, combined with average precipitation during the Spring thaw, should fill all Company reservoirs.

Although this winter's snowfall of 150 inches (12-1/2 feet) did not break the 1968-69 record of 156 inches, there has certainly been enough snow to satisfy the most avid winter enthusiasts!

* * *

Log Drives. The following Joint Order was adopted by the Maine Senate (February 25) and House of Representatives (March 3):

"Whereas, the Legislative Research (continued on next page)

Committee warned if river driving activities continued in the State such would be the object of more stringent laws; and

"Whereas, the Great Northern Paper Company forecasts the end of its log drives on the West Branch of the Penobscot by 1972 at the latest; and

"Whereas, the Scott Paper Company following this lead has pledged to terminate pulpwood drives on the Kennebec River by October 1, 1976; and

"Whereas, these companies must overcome sizable economic and other difficulties to honor such commitments; and

"Whereas, in accepting the inspiring responsibility of phasing out the traditional river drive, needless legislation has been averted and has further credited their stewardship; now, therefore be it

"Ordered, the Senate concurring, that the members of the Senate and House of Representatives of the 105th Legislature, now assembled, do recognize the efforts of the Great Northern and Scott Paper Companies and affiliates for their sincere cooperation with the Legislative Research Committee in solving a most difficult problem for the public good and general betterment of restoring Maine's magnificent waterway system; and be it further

"Ordered, that duly authenticated copies of this Order be transmitted forthwith by the Secretary of State to said company officials in recognition of their outstanding efforts."

SOUTHERN DIVISION

Management Meeting. On March 9, Peter S. Paine, Chairman, GNN; Samuel A. Casey, President, GNN; Robert A. Haak, Vice President, GNP; Robert C. Macauley, Board Sales Vice President; Robert Hellendale, Vice

President-Administration; and Frank J. Reidy, Controller, met in Cedar Springs with the management personnel of the Southern Division, GN Plywood and the Chattahoochee Industrial Railroad.

The purpose of this meeting was to report on the general status of the Cedar Springs financial, operating and sales results.

Messrs. Haak and Reidy reviewed the year 1970 and the forecast for 1971. They also compared 1970 year-end results for the Southern Division with those of 1969.

In line with the Company's overall cost reduction effort and the 1971 forecast, Bruce P. Ellen, Vice President-Southern Division, discussed the Cedar Springs mill's response in terms of general operating improvements and staff reductions.

Mr. Macauley commented on the present sales conditions, our markets and future prospects.

Anticipating the March 31 anniversary of Great Northern Nekoosa Corporation's first full operating year, Mr. Paine reviewed the reasons for the merger and compared the overall 1970 results with 1969.

Mr. Casey discussed Nekoosa Edwards Paper Company, Inc. product lines, markets, mills and general operating procedures. He also summarized the economists' forecasts of a poor first and second quarter in 1971, with improvements expected in the third and fourth quarters.

" P E R S O N N E L I T I E S "

PROMOTIONS

WARREN C. SPEARIN has been promoted from Production Coordinator, Millinocket, to the newly created position of Sales/Production Coordinator, New York Sales Office. He will (continued on next page)

be in charge of the New York Northern Division Order Scheduling.

* * *

JOHN E. MCLEOD, JR. has been promoted from Administrator-Woodlands to Administrator-Services, Central Personnel Department, Millinocket.

TERMINATIONS

PHILLIP H. BARTRAM, Public Relations Supervisor, Bangor Woodlands Office.

* * *

JAMES R. CLENNY, Assistant Buyer, Purchasing Department, Cedar Springs.

* * *

RICHARD A. CRANDLEMIRE, Research Engineer, Research and Development Department, Millinocket.

* * *

SHYAMAL K. DUTTA, Engineer, Central Engineering Department, Millinocket.

* * *

PETER S. PIKELIS, Senior Engineer, Central Engineering Department, Millinocket.

* * *

JOHN RUTENS, Production Scheduler, New York Sales Office

* * *

JERRY W. SNEAD, Unit Forester, Woodlands Department, Cedar Springs.

LAWRENCE R. VAZNIS, Supervisor, Stores, Millinocket and East Millinocket.

* * *

DENNIS E. VICKERY, Research Chemist, Research and Development Department, Millinocket.

RETIREMENTS

CLARENCE F. BOULTER, Senior Engineer, Millinocket, after 11 years.

* * *

RALPH E. CLIFFORD, Coordinator-Resource Development, Woodlands Department, Bangor, after nearly 30 years.

* * *

FULTON E. DANIELS, Assistant Photographer, Central Personnel Department, Millinocket, after 31 years.

* * *

RODERICK E. FARNHAM, Administrative Assistant, Woodlands Department, Bangor, after nearly 28 years.

* * *

DAN GARRITY, Contractor Foreman, Woodlands Department, Millinocket, after more than 25 years.

* * *

LESTER F. LACROSSE, Executive Secretary and Office Manager, Bangor Office, after nearly 37 years.

* * *

DOUGLAS D. SMEATON, Senior Engineer, Central Engineering Department, Millinocket, after nearly 17 years.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol. X No. 3

New York, New York

March 8, 1971

COST REDUCTION REPORT

Over the past few months, we all have been acutely aware of the state of the economy in general, and Great Northern's response to increased costs and lower profits in general.

In this report on cost reductions, it is necessary to clarify some basic facts.

In December, Robert A. Haak, President, requested all vice presidents to review their 1971 budgets in order to cut all unnecessary expenses.

"This is a preventive measure," Mr. Haak said, "that will enable Great Northern to ride out the current inflationary storm."

Putting a cost reduction program into effect, however, is a difficult task and requires a careful review of all areas of the corporate budget.

And salaries, of course, are a part of total annual expenditures.

However, in order to survive in a difficult economic climate,

Great Northern must produce and sell a product. To achieve this end, people are the vital ingredient.

For more than 71 years, the fabric of Great Northern has been made up of a "golden thread" of good faith and good will uniting management and workers. It has become a unique tradition, passed down from father to son, from brother to brother.

The total Company effort has been channeled in one direction--to produce a quality product that will in turn produce profits to be shared by all.

Communicating the facts behind cost reductions is essential if the Company-wide program is to be understood.

Mr. Haak has noted "in many departments it has been necessary to reduce staff--both monthly and weekly salaried people.

"This has and is being done in an orderly manner in all areas of the Company.

"A hard look at what functions
(continued on next page)

Production for the two months ended February 28. . . .

	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Production:				
Cedar Springs	92,883	1,988	122,743	2,114
East Millinocket	29,562	1,056	31,188	1,114
Millinocket	23,434	837	26,248	937
	<u>145,879</u>	<u>3,881</u>	<u>180,179</u>	<u>4,165</u>

could be consolidated and performed more efficiently with fewer people, and the elimination of some services not considered totally essential under present conditions are the deciding factors.

"However, and it must be reiterated, control of salaried payroll is only one part of the overall cost reduction plan," Mr. Haak said,

All departments' operating budgets have been reduced considerably. Capital budgets have been reviewed carefully and, wherever possible, capital expenditures have been postponed indefinitely.

Unnecessary expenses have also been eliminated throughout the Company.

The advertising budget, for example, has been reduced by more than \$126,000.

Travel and entertainment expenses have been severely curtailed.

Company membership in trade associations has been reduced to further cut costs.

The No. 11 Paper Machine expansion program at Millinocket has been slowed down to reduce the drain on cash flow.

The Greenville (Me.) Shop is being phased out and is expected to be completely discontinued by June.

Recruiting has been suspended indefinitely.

The Sales Department's Newspaperboy Summer Program at Rainbow Lake has been dropped.

And so the list goes on. "It is still too early to accurately determine total savings to the Company," Mr. Haak said.

"What is important is that the effort is Company-wide and excludes no cost area.

"Except for maintenance repairs and rebuilding activities, none of our machines have been shut down. Nor have we substantially reduced production.

"Although the prospects for the future are still not bright," Mr. Haak continued, "there are increasing signs of a gradual economic upturn.

"It is hoped that during the second quarter our pricing structures, particularly linerboard, will be favorably increased.

"And if we continue our careful cost-conscious policy, Great Northern will be among those companies that successfully weather the current economic conditions," Mr. Haak concluded.

* * *

Annual Report Available. The Great Northern Nekoosa Corporation (continued on next page)

1970 annual report is off press. Copies have been sent directly to all GNP mills and sales offices.

However, additional 1970 annual reports may be obtained by contacting the Public Relations & Advertising Department, New York.

NORTHERN DIVISION

New On-Machine Coater at Millinocket. On February 1 No. 9 Paper Machine was shut down for a major rebuild and installation of an "On-Machine" Coater. This is the first installation of its type at Great Northern.

During the shutdown, No. 9 was completely rebuilt from the couch at the wet end to the calender stack at the dry end.

In order to make room for the coater and related equipment, 20 dryers were removed from the dry end.

It was also necessary to move the first and second presses closer to the couch to install 10 of the dryers between the second press and the 16 remaining dryers.

The relocated dryers and the 16 existing dryers will form a Pre-Dryer Section for the Coater installation.

Supplied by the Beloit Corporation, the new Coater package includes a two-roll high-nip calender between the Pre-Dryer Section and the Coater, a Gate Roll "On-Machine" Coater, low velocity air cap and eight-roll After Dryer Section between the Coater and existing calender stack.

Other related equipment to be installed includes a new unit sub-station, refiners for groundwood and kraft sulfite, color preparation system, and necessary piping, pumps, lubrication system, instrumentation and controls.

The Central Engineering Depart-

ment also noted that a Morden Machine Dry End Pulper has been installed and started up.

With the installation of this new On-Machine Coater, No. 9 Paper Machine's capacity will be increased to produce new grades of paper used for business forms, paperback books, tablets, workbooks and other commercial printing papers.

* * *

Further Mechanization. The Woodlands Department is taking a hard look at a new piece of equipment designed to replace a large portion of the manual labor currently needed to cut pulpwood.

This machine, a Pettibone "Processor," is presently being rebuilt to incorporate certain modifications recommended by Great Northern's Staff Engineer, Ernst B. Harvey.

Self-powered, the "Processor" removes the limbs and tree tops that have been dropped by GN's "Feller-Buncher" and brought to the Yard by a cable skidder.

It moves about the Yard, or along the road, to where trees have been piled by the skidder. Using its small crane, the "Processor" picks up the tree by the butt and inserts it into a feed mechanism which then pulls the tree through delimbing knives.

After the delimbing process, a shear cuts off the top of the tree. The tree trunk is then set aside for subsequent delivery to the mill.

According to Mr. Harvey, "if this new modified machine is proven capable of keeping up with the production of the "Feller Buncher," Great Northern will have the primary components of a truly mechanized woods operation."

Improvements on No. 10. In January, a new dry end broke pulper, capable of handling 180 tons of broke per day, was started up on No. 10 Paper Machine at Millinocket.

Consisting of one Morden 27-inch slushmaker, a 260-cubic foot tile tank, associated piping, discharge pump and controls, the system is located in the basement under the calender stack and reel.

According to the Central Engineering Department, this new pulper will allow installation of a similar system (now under construction) on No. 9 Paper Machine, thus eliminating the old Shartle beater used for both Nos. 9 and 10.

It will also provide two separate broke systems and allow No. 10 Paper Machine dry broke to go into the common broke system, and that of No. 9 to the basestock coated broke system.

A new cleaner system for No. 10 was also started up in January. This system consists of a three-stage vacuum rejects operation, a 25-square foot tile silo, new opened agitated tile-lined couch pit sump, and two tile-lined machine chest compartments with new side entering agitators.

Associated pumps, piping and controls have also been installed.

The end result of this cleaner system is improved quality and grade structure of the paper produced on No. 10. In addition, the couch pit sump will separate the wet broke system from No. 9 Paper Machine and allow that of No. 10 to go into the common system.

* * *

West Branch Storage. As of February 22, Great Northern's water

storage was 21.38 billion cubic feet, 1.9 BCF above rule curve and 37% of capacity.

The Company's hydro system has been providing sufficient storage space for the water that is expected this Spring.

The February snow survey showing average water content coupled with a below-normal water table should result in average inflow.

However, we will be "in the hands of the gods" during the critical period of March 15-April 15 when an excess of rain could cause increased pickup and result in a spill.

* * *

Wood Deliveries. To date, approximately 70% of our pulpwood production has been delivered to the various holding areas of the Woodlands operations.

About 94% of the planned production has been cut, and another four to five weeks should see the completion of this year's operations.

These cutting and delivery schedules have been met in spite of this winter's deep snows and extremely cold temperatures.

A recent report in the Millinocket area shows a total snowfall of 97-1/2 inches. This figure does not include the numerous light snowfalls known as "dustings."

SOUTHERN DIVISION

Plywood Loading Innovation. Combined efforts of GN-Plywood management and sales and the Southern Division Transportation Department have resulted in the development of (continued on next page)

a pattern that permits the loading of 48 plywood units--i.e., 145,000 pounds--in a 50-foot high cube box car.

In addition, 60 units, or 174,000 pounds, can now be loaded in a 60-foot high box car.

The Standard Plywood Industry Loading Pattern is 36 units, 104,000 pounds, in a conventional 50-foot box car.

Because rail charges are based on the total weight loaded in a car, the projected annual savings in transportation costs will run into the five figures.

To date, Great Northern is the only company utilizing this new loading method.

* * *

Man-Made Forest. By the end of the current planting season, Great Northern lands in the South will have a man-made forest containing more than 30 million pine trees on some 40,000 acres of land.

Growth studies made by private and public forestry agencies indicate that an average acre of planted pine trees will produce growth at the approximate annual rate of two cords per acre.

This growth rate is some 12-15% more than will be derived from a well stocked stand of natural pine.

Therefore, as Great Northern's 40,000 acres of planted pines reach merchantable size, harvests of 80,000 cords per year may be made without deficit cutting.

By establishing pine plantations, Great Northern foresters are able to plant trees of desirable species, and at the same time control the number of stems per acre. This type of forest management will eventually lead to a fully productive forest.

NEKOOSA EDWARDS

3M to Purchase NE Coating Plant.

The 3M Company, St. Paul (Minn.), has agreed in principle to purchase Nekoosa's carbonless paper coating plant at Port Edwards.

According to the joint announcement, made on February 15, the additional plant capacity is needed to meet increased demands for 3M Brand Carbonless Papers.

3M is expected to begin its operation of the plant in the near future, and plans call for the building of an addition sometime this Spring. Increased employment and equipment will also be required.

The Nekoosa plant began operating last fall with special coating equipment designed to produce carbonless copying papers for business systems.

According to G. E. Veneman, President, "Nekoosa Edwards will continue to manufacture special coated sheets that develop the image when coming in contact with the chemical capsule, and will be a supplier of the base stock for off-the-machine coating operations.

"We are convinced it is more natural for the off-the-machine coating function to be operated by those in control of the development and manufacture of imaging chemistry which makes a carbonless paper possible.

"The 3M Company has developed an extensive technology in this area. We believe this move to be a most progressive step for Nekoosa, and one that will bring marketing advantages and opportunities to us for many years to come."

Coated carbonless paper, which will be produced at Nekoosa by 3M Company, is called 3M Brand Carbonless Paper Type 200. It is used widely in business forms of all types.

MANAGEMENT NOTES

Communicate through your supervisors. (Excerpted from the November-December 1970 issue of Harvard Business Review.)

The Pillsbury Company recently conducted a study of its internal communications which were considered ineffective.

The study underscored these points: good communication and favorable employee attitudes go hand in hand.

A plant where the manager emphasized communication in his weekly planning sessions and held supervisory personnel accountable for it was the leader in the study.

Some 81% of the personnel said the company "tries to keep me informed," and 86% said the company "tries to give employees a fair deal."

On the other hand, in a plant where communication was considered to be poor, 34% of those interviewed said the company tried to keep them informed and 58% said the company tries to give "a fair deal."

Good communication is characterized by providing employees with information which they want and getting information to them quickly and through the channels they prefer.

Most significantly, the employees said they preferred to get information from their own supervisors. In many plants, their responses indicated, too much information was coming via the grapevine.

Surveying the data, Robert J. Keith (now board chairman), called a Saturday morning conference of top management. He quoted a series of "familiar phrases that summarize old and outdated attitudes," and with each he proposed an alternative way.

Familiar phrase--if we tell employees what's going on, it will leak out to our competitors.

Alternative--our concern for security should not become an excuse to say nothing.

Familiar phrase--we communicate, and we do it our own way. We know what our employees are thinking and what they want to know.

Alternative--these are sincere and honest beliefs; but, nevertheless, we need periodic, objective measurement of employee attitudes and information needs.

Later, two recommendations were accepted by top management.

The company's monthly magazine would be replaced by a monthly tabloid newspaper, whose production speed and larger size would permit information to be communicated faster and in more detail.

And a model of an in-plant communications program would be set up at one of the plants.

The project was launched in early 1967 in the Ogden, Utah flour mill, which has about 70 union employees and 30 salaried persons. The manager was concerned about the results of the internal communications study, so he welcomed the "guinea pig" opportunity.

Several months later he wrote his fellow flour mill managers: "A feeling of frustration on the part of our people is being replaced by a happier mood. One man told me the other day, 'We're getting information we've never had before. It's giving us a better understanding of how the mill operates.' I already can see a downward trend in the number of union grievances filed that deal with trivial issues."

Today the in-plant communications
(continued on next page)

program, in varying degrees of form and timing, is in nearly all company plants.

The principal organizational procedures include setting aside about 15 minutes of the workday every week for each supervisor to meet with his group to report verbally on matters that interest them and to learn what is on the minds of the employees through a question-and-answer session.

The questions that cannot be answered by the supervisor are deferred until the next meeting.

The primary objective of the program is to give employees more information about what is going on in their specific work area and their plant, and why it is being done.

Once a manager decides to implement the in-plant communications program, it is essential that he meet both with department heads and supervisors and with the union officers.

He should be encouraged to speak openly about the reasons for the program, what he believes it can accomplish, the important role that the supervisors must play, and the mechanics of the program.

In the meetings, the supervisors operate under some ground rules which are constantly repeated in both written and verbal communication:

Stay away from outright propaganda or preaching.

Avoid questions related to labor relations matters, for the meetings are not intended to take the place of or be similar to management-union meetings.

Recognize that the program is intended to be informative--it is not an opportunity to lecture.

Be willing to acknowledge mistakes with frankness. We cannot pretend to be infallible.

Those questions that cannot be answered at the plant should be

forwarded to the corporate headquarters, where their handling is given high priority.

NAMES IN THE NEWS

WILLIAM E. COZENS, Manager, Commercial Sales, has turned model in his spare time! The cover of the March issue of Stream Afield features a photographic sketch of Mr. Cozens and his 14-year old son, Michael.

* * *

BRUCE P. ELLEN, Vice President-Southern Division, has been elected President of the Pulp Chemicals Association.

* * *

JOHN T. MAINES, Vice President-Woodlands, has been elected a director of the Paper Industry Information Office, Maine.

* * *

DR. VICTOR F. MATTSON, Director, Research & Development, is a member of the University of Maine (Orono) Pulp and Paper Foundation Open House Committee.

* * *

ROBERT J. SHINNERS, Vice President-Northern Division, is Chairman of the University of Maine Open House Committee.

" P E R S O N N E L I T I E S "

PROMOTIONS

EDWARD J. BURKE has been promoted from Junior Salesman to Salesman, Columbia Office.

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AVERN B. DANFORTH has been promoted from Senior Research Chemist to Product Evaluation Group Leader, Research & Development Department, Millinocket.

* * *

EUGENE E. FLANDERS has been promoted from Junior Engineer to Piping Supervisor, Central Engineering, Millinocket.

* * *

DONALD R. LYNCH has been promoted from Pulp Mill Tour Foreman to Foreman-Groundwood, East Millinocket.

* * *

RICHARD E. MCLEOD, JR. has been promoted from Sales Trainee to Junior Salesman, Columbia Office.

H. RICHARD OILER, JR. has been promoted from Junior Salesman to Sales Representative, Columbia Office.

STEPHEN F. SCOFIELD has been promoted from Junior Salesman to Salesman, New York Office.

TRANSFER

MARIE A. BERTRAND, Administrative Assistant, Controller's Department, has transferred to the same position in the Manufacturing Department, Millinocket. Miss Bertrand will report directly to Robert J. Shinnors, Vice President-Northern Division.

TERMINATION

WESLEY L. CHAPMAN has terminated his position as Finishing and Shipping Supervisor, Great Northern Plywood, Cedar Springs.

RETIREMENT

ROBERT C. MCMAHONE, Executive Secretary to the Vice President-Northern Division, after 45 years with the Company.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol X No. 2

New York, New York

February 8, 1971

GREAT NORTHERN NEKOOSA REPORTS SALES AND EARNINGS FOR 1970

On January 26, GNN reported a 19% increase in earnings for the year 1970.

Net income amounted to \$16,480,000, compared to \$20,252,000 in 1969. Earnings were \$3.42 per share on a primary basis, and \$3.32 fully diluted, compared with \$4.30 and \$4.11 a year ago.

An investment tax credit of only \$218,000, compared with last year's \$2,723,000, accounted for two-thirds of GNN's 1970 earnings decline.

Net sales for the year totalled \$355,291,000, up 3% from \$344,139,000 in 1969.

During the October-December quarter, net sales were \$89,432,000, compared with \$88,248,000 for the same period in 1969.

Net income amounted to \$2,973,000 for the fourth quarter of 1970, compared with \$5,223,000 last year.

Primary and fully diluted earnings per share for this fourth quarter were \$.58, compared with \$1.11 primary and \$1.06 fully diluted a year ago.

Peter S. Paine, Great Northern Nekoosa's Chairman and Chief Executive Officer, cited rising production and

transportation costs, coupled with the national economic downturn in 1970, as the principal reasons for the earnings decline.

"In the light of these results," Mr. Paine said, "the Company is taking active steps to cut costs wherever feasible."

"This program, combined with price increases on a number of our products due to go into effect early in 1971, should put us in a good position to capitalize upon any improvement in the economy," he noted.

While GNN sales for the fourth quarter increased more than \$1 million over the same period in 1969, net income for the quarter was down in excess of \$2 million. Earnings per share of \$.58 versus \$1.11 represent a decrease of 47.7%.

A recent survey of fourth quarter earnings (WALL STREET JOURNAL, February 5) for 422 companies representing 21 different industries shows an average drop of 17%. The pulp and paper industry, with a decline of 34.7%, showed the second greatest loss for the fourth quarter of 1970.

Production for one month ended January 31. . . .

Production:	1971		1970	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	44,319	1,430	62,340	2,073
East Millinocket	34,189	1,103	34,194	1,103
Millinocket	28,074	906	28,115	907
	106,582	3,439	124,649	4,083

GNN Ad Campaign Wins Two Awards.

The Association of Industrial Advertisers New York Chapter recently named GNN's 1970 advertising campaign winner of two "BestTeller" (i.e., ads judged as best at telling their story) Awards.

The Company's interim program, which was designed to introduce the new corporation to the public, won first prize in the "black and white ad" category. We also took second prize for our direct mail piece, "What happens when two medium-sized companies get together..."

* * *

BUSINESS WEEK at Reduced Rate. Shortly, you will receive, at home, a sample copy of BUSINESS WEEK and the opportunity to subscribe to the magazine at the reduce rate of \$8 a year. (The normal rate is \$12.)

This wide-spread home solicitation is supported by Great Northern in that we have provided BUSINESS WEEK with a mailing list. The list will be used only for this special rate solicitation.

* * *

Suburban Papers Organize to Get More Ad Dollars. Weekly, twice-weekly and small daily newspapers in suburban

areas are beginning to organize in order to attract the national and regional advertising dollars that in the past have seldom gone their way.

The Suburban Press Foundation, Accredited Home Newspapers of America's suburban division and the National Newspaper Association suburban group have begun taking the necessary steps toward a possible merger within the next year.

These three major trade groups are scheduled to hold their first joint meeting in March to discuss merging into an association that, for planning purposes, is being called Suburban Newspapers of America.

It is thought that the new organization eventually could have some 2,000 member newspapers that could be offered to advertisers market-by-market, region-by-region or nationally at rates set up on a cost-per-thousand scale.

Far less media research, agency traffic and administrative time would be involved if the suburban weeklies presented themselves as a group, noted ADVERTISING AGE Magazine.

* * *

Paper Week Highlights. The American Paper Institute's 94th Annual Paper Week meetings will be held March 14-17 at the (continued on next page)

Waldorf-Astoria Hotel in New York City.

The Honorable Clifford M. Hardin, Secretary of Agriculture, will address API's annual luncheon on March 16.

Also scheduled for the 16th is the API Open Industry Forum. The list of speakers will be announced shortly.

Included in the week's agenda is the SAPI (Salesman's Association of the Paper Industry) luncheon on March 15.

* * *

"Recycling Day" in New York. In an attempt to determine whether recycling, or turning waste into something useful, can solve the nation's garbage disposal problem, 500 industrialists, government leaders, environmentalists and civic leaders from all over the country met in New York on February 2.

This was the first major attempt to bring together all the diverse interests that are involved in recycling.

Garbage, or solid waste, is today considered to be the country's most serious environmental problem because there are fewer and fewer open spaces on which to dump the waste.

But although New York City, for example, which must dispose of some 24,000 tons of solid waste every day, is expected to run out of dumping space by 1975, no real alternative to dumping has been found.

To many people, recycling seems to be the brightest hope to solve the problem. While the idea of reusing what people throw away has sounded good in theory, no one has yet been able to demonstrate it as an economic reality.

The problem is that while garbage may contain such valuable reclaimable material as aluminium (\$200 a ton) or paper (up to \$20 a ton), it is generally too expensive to separate the waste into its different valuable components.

But because of the growing concern over how garbage is marring the environ-

ment, increased attention is being given to recycling.

So far, however, many of the attempts to make recycling a workable program have been undertaken by specific industries, and they have tended to seek solutions mainly for their particular problems.

The February 2 meeting was sponsored by the New York Board of Trade's Council on Environment and the National Association of Secondary Material Industries. It was the first attempt to draw all attempts together.

* * *

SFI Directors Approve Merger with AFI. The Southern Forest Institute board of directors recently authorized President W. Morris Morgan to proceed toward consummation of the proposed merger with the American Forest Institute.

Accordingly, SFI representatives have been appointed to a joint merger committee. In the meantime, present programs will be coordinated with AFI as much as possible.

The joint merger committee is due to submit its first report to the AFI and SFI boards on April 1.

* * *

U.S. Newsprint Consumption Down in 1970. Total estimated newsprint consumption in December 1970 was 3.8% below December 1969, according to the American Newspapers Publishers Association.

For the year 1970, total estimated newsprint consumption was 9,544,930 tons compared with 9,740,641 tons in 1969. This represents a drop of 2%.

The average stocks of newsprint for all daily newspapers reporting to the ANPA at the end of December 1970 were 31 days' supply on hand, compared with six days' supply in transit at the end of December 1969.

NORTHERN DIVISION

GNP Awarded Government Contract.

Great Northern recently won an exclusive one-year government contract to supply the paper to be used in the CONGRESSIONAL RECORD.

Valued at \$701,724, with a potential ceiling of \$1 million, the contract calls for 5,000 to 7,500 tons of standard Newsprint.

During the past three years, paper for the CONGRESSIONAL RECORD has been supplied by a foreign company.

The present contract with Great Northern was awarded under the Buy American Plan of Federal Procurement Regulations.

* * *

New Sales Office in Maryland. On February 1, the Commercial Sales Division opened a new office in Columbia, Maryland.

Directed by Terry N. Pendleton, Southern District Manager, the office is located at 9050 Red Branch Road, Columbia, Maryland 21043, (301) 730-0050.

* * *

Safety Achievements. As of January 19, the Electrical and Yard departments at Millinocket had worked more than 1,000 days continuously without a disabling injury.

Headed by William P. Burke, Electrical Foreman, and Michael J. Gallo, Electrical Superintendent, the 56-member Electrical Department has worked a total of 1,632 days without a loss time accident.

The 53-man Yard Department, directed by Rosario R. Caruso, Head Yard Foreman, has gone 1,461 days without a disabling injury.

Greenville Shop to be Phased Out.

Robert J. Shinnners, Vice President-Northern Division, recently announced that Great Northern will phase out, and eventually discontinue over a six-month period, all Company operations at Greenville (Me.).

The Greenville Shop employs 42 people and includes repair, maintenance and storage facilities that have long served the Company's logging camps in the nearby Moosehead Lake area.

In past years, the pulpwood from these camps has reached GNP mills at Millinocket and East Millinocket after a long river drive.

The phasing out of the Greenville facility coincides with Great Northern's two-year old decision to end water-borne log drives, as well as the construction of the 65-mile Golden Road that will handle the extra large trucks carrying tree-length logs.

"Since most of the Company's wood requirements will now be delivered by truck," Mr. Shinnners noted, "the need for supporting facilities at Greenville is no longer necessary."

"We expect to close the Greenville Shop by June, and we plan to relocate some cutting camps closer to our mills," Mr. Shinnners concluded.

* * *

Wood deliveries in the Pittston Area are in full swing--7,500-8,000 cords per week are being brought to river landings and piled down on the ice.

Extreme cold and light snows have been a great help in maintaining haul roads in the area, and all hauling should be completed by mid-February.

Trucking conditions in other areas of Great Northern's woodlands are also reported to be ideal.

You're Safer at Work... Winter recreation enthusiasts' prayers for snow and cold weather have been more than answered this year.

The skiers are skiing; the snowmobilers are riding; the skaters are skating; and the First Aid Hospital in the East Millinocket Mill is buzzing.

The advent of these activities has brought seasonal problems that are both unusual and dangerous.

Take the fellow who skis. During the off season, he probably works in the mill, wherein he keeps both feet solidly planted, gives every indication of being possessed of sound judgment and normally is very cautious.

Comes the ski season and you have an entirely different person. He's brave! He's daring! He locks himself to a pair of skis, forgets that he hasn't used certain muscles for 8 months and he's off! Speeds of 20-25 miles per hour do not deter him. In fact, they exhilarate him--until, of course, he hits an unexpected rut, rock dip.

Then, and only then, does he remember that he really isn't in condition. He doesn't have the coordination he thought he had. He doesn't have the stamina or the wind he had the previous year.

Result? Contusions, abrasions, possible fractures and a deflated ego.

Take the tiger on the snowmobile. He really has it made compared with the poor skier. He sits on his sled, protected from the wind by a windshield and insulated suits, mittens, boots and goggles.

A sportsman's dream? It is until the harmless appearing machine, which actually attains speeds comparable to some of the smaller compact cars, comes in contact with hidden stumps or rocks, steep banks, trees or fences.

Then comes the unpleasant experience of flying without wings.

Of course, that only describes the active phase of snowmobiling. Our records are replete with accounts of strains suffered by winter sportsmen who find that seldom-used back muscles pull quite easily when attempting to lift a heavy sled on or off a trailer or truck.

As for the skaters, there's no need to elaborate--weak knees, weak ankles and weak backs all help to make the winter weekend athlete a wiser sportsman.

At present, there are four men losing time at the East Millinocket Mill because of injuries acquired while involved in these activities. Last year, 87 of the 242 reported outside injuries resulted in lost time. In comparison, 635 mill injuries were recorded, with only 8 involving lost time.

Needless to say, Mill Personnel reports that steps are being taken, as part of the Accident Prevention Program, to promote an interest in off-the-job safety.

* * *

Pilot Grinder. The pilot grinder rebuild has been completed, and its high speed checkout at the end of last month went well.

This equipment will be used to make a comprehensive study of high speed grinding problems and to evaluate new stone designs. The Norton Company has agreed to cooperate with us in this work and to supply the stones.

According to the Research and Development Department, this grinder is now a versatile and valuable research tool.

* * *

Directory Recycling. A meeting was held with Western Electric and A.T. & T. people to discuss the need and possible approaches to recycling telephone directories.

The potential advantages of using a strippable ink were discussed and Western Electric concluded that they should contact various ink manufacturers on this.

Great Northern's Research and Development Department has agreed to cooperate fully either with the strippable ink approach or with a more conventional de-inking procedure.

Feller-Buncher. The Woodlands Department reports that this new harvesting machine is meeting all expectations, and crew productivity is increasing rapidly despite winter cold and snow conditions.

While cutting small wood on right-of-way, the Feller-Buncher produced nearly 150 cords of tree-length pulpwood during a one-week period.

This productivity record is substantially above that of two conventional cutting crews.

SOUTHERN DIVISION

Plywood Record. Great Northern Plywood Company completed the month of January with a new record for production-per-day, according to W. K. Hoseid, Vice President and General Manager.

During January, production averaged better than 325M, 3/8 basis, a day.

At the same time, Mr. Hoseid noted, shipments exceeded production for the month.

* * *

Tree Planting and Site Preparation activities have been underway in the Southern Woodlands since the middle of December.

Despite this late start and some mechanical difficulties, planting operations are progressing well. There has been sufficient rain to prevent drying and insure increased seedling survival.

* * *

Three Slashers Now in Operation. At present, the Southern Woodlands De-

partment has three slashing facilities at work in Georgia and Alabama.

Located in Hilton and McRaeville (Ga.) and Elba (Ala.), the slashers were engineered by Great Northern, the J. E. Sirrine Company and Link-Belt.

According to James W. Richardson, Woodlands Manager, there were several objectives in mind in the designing of these systems:

1. Full tree lengths are received where each tree is high-graded into products yielding the highest value.

2. The location of each slasher was to be in an area where other companies are accepting tree-length logs to be used as pulpwood. Great Northern's multiple-use slashers enable the company's timber suppliers to compete for available stumpage, regardless of size or quality.

3. Capitalize on and put to better use the available timber.

Veneer logs are considered the highest value product cut from GNP's three slashers.

Small quality logs are made into what is known as "Chip-N-Saw" logs. These logs are sold to sawmills--on a negotiated price basis--in the areas where our slashing units are located.

Those trees not cut for plywood and Chip-N-Saw logs are then cut into pulpwood.

Mr. Richardson noted that, when operating on two eight-hour shifts, the expected weekly volume should be: 2,500 cords of pulpwood; 250,000 board feet of veneer logs; and 75,000 board feet of Chip-N-Saw logs.

To date, indications are that the actual cost of operating these three slashers will not exceed the average per cord cost of a mechanized Company woodyard where only pulpwood lengths are accepted.

"Our best production for a single eight-hour shift has been 200 cords, with an operating efficiency of 85%," Mr. Richardson said.

MANAGEMENT NOTES

Administrator--or Manager? In spite of the tendency to use the words interchangeably, there is a vitally important difference between management and administration, noted Robert M. Morris, Vice-President, Monsanto Chemical Company, at a recent American Management Association meeting in Chicago.

An administrator, he said, is a man who applies old or existing answers to new situations, whether the answers fit or not.

But a manager sees problems, develops improved answers, and makes things happen to put those improved answers into effect.

To make the move from administering to managing is not an easy process, he explained, noting that it requires the most "excruciatingly difficult" kind of thinking.

Most of us prefer to handle the quick and easy jobs that come across our desks. But our real progress as individuals and our contributions as managers can come only if we face up to and handle the long, tough jobs that take lots of hard thought and hard work.

What should a manager do if he is going to make things happen?

First of all, he should realize, and base his activities on, the fact that the fundamental objective in business is to achieve maximum long-term profits.

To many this may sound like a very tough line, but there need be no apologies for it.

Some of the declining profit performance in American business in the last five or ten years may well be traced to the concept of so-called business statesmanship and the development of "wishy-washy" management principles.

Other objectives are important only if they contribute to the single objective of making money. Deviation from this goal is the road to disaster.

Yet in every organization extraneous functions and activities spring up that make no contribution to achieving maximum long-term profits. They simply drain manpower resources and time away from the primary objective.

Mr. Morris suggested five courses of action for managers to take in order to increase their contributions to their companies. The manager should:

1. Periodically analyze his area of responsibility to determine its strengths and weaknesses. It is important to make this appraisal understood and accepted by superiors, colleagues, and subordinates. Unless he spends time and effort to convey his ideas to others who are concerned or affected, the manager will not be able to make things happen.

2. Develop objectives to improve performance and solve problems within his area of responsibility. Both short- and long-range goals should be set. They should be related to the company's objectives and integrated into its operational needs.

3. Decide who will accomplish the objectives set by the manager. Too often, little or no attention is given to this matter.

4. Establish a timetable for himself and for any others working with him to achieve his objectives and goals. There are so many pressures and demands on the manager's attention that setting a deadline is a necessary discipline.

4. Follow up constantly. Frequently, everyone has so effectively delegated his responsibilities down the line that the matter can end up with no one doing the work unless the assignments are policed. If the manager is not paying attention to details, he cannot control his operations and get the results he wants.

" P E R S O N N E L I T I E S "

NEW EMPLOYEES

DENNIS E. VICKERY has joined the Research and Development Department, Millinocket, as a Research Chemist.

* * *

EDWARD WASHINGTON has joined Great Northern as Software Development Analyst, Administrative Services Department, in Stamford.

PROMOTIONS

W. FRAZIER ELLIS has been promoted to Finishing and Shipping Foreman, Finishing and Shipping Department at Cedar Springs.

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PERRY F. JARRETT has been promoted to Technical Services Foreman, Technical Services Department at Cedar Springs.

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J. HAROLD JOHNSON has been promoted from Cost Accountant to Supervisor, General Accounting, Controller's Department at Cedar Springs.

TRANSFERS

CARMEN BRIGALLI has transferred from Supervisor-Stores to Supervisor-Townsite, Townsite Department at Millinocket.

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BILLY W. CHILDREE has transferred from Technical Services Foreman to Process Technician, Technical Services Department, Cedar Springs.

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C. JACKIE FRITH has transferred from Supervisor, General Accounting, to Budget Analyst, Controller's Department, Cedar Springs.

BILLY E. RATHIEL has transferred from Technical Services Foreman to Process Technician, Technical Services Department, Cedar Springs.

TERMINATIONS

STEPHEN D. BURR, Systems Programmer, Administrative Services Department, Stamford.

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JAMES E. CARRIER, Software Development Analyst, Administrative Services Department, Stamford.

* * *

JAMES W. HARPER, JR., Research Engineer, Research and Development Department, Millinocket.

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BURTON C. POLAND, Unit Forester, Woodlands Department, Troy Area, at Cedar Springs.

RETIREMENTS

ALVAH CROCKER, Consultant, New York Office, after five years.

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PAUL E. JARDINE, Maintenance Area Foreman, East Millinocket, after 35 years.



GREAT NORTHERN PAPER COMPANY

NEWSLETTER

FOR MANAGEMENT EMPLOYEES

Vol X No. 1

New York, New York

January 11, 1971

SAM CASEY ELECTED PRESIDENT OF GREAT NORTHERN NEKOOSA CORPORATION

After a three-month leave of absence, Sam Casey has returned to "active duty," and on January 4 was elected President of GNN.

A 24-year veteran of the paper industry, Mr. Casey served as President Nekoosa Edwards Paper Company, Inc. from 1962 until September 1970.

After graduating from Bradley University and the University of Illinois, he was associated with Chapman & Cutler, a Chicago law firm. Mr. Casey joined Nekoosa Edwards in 1946 as legal counsel, and subsequently held the positions of Director, Secretary, Vice President, Vice President and Treasurer, and Executive Vice President and Treasurer.

In addition to serving on the boards of Employers Insurance of Wausau (Wis.) and Marshall & Ilsley Bank (Milwaukee), Mr. Casey is a trustee of Lawrence University and the Institute of Paper Chemistry.

His election by the board of directors of Great Northern Nekoosa has been expected since the merger last March of Great Northern Paper Company and Nekoosa-Edwards Paper Company.

MAJOR COST REDUCTIONS A NECESSITY FOR GREAT NORTHERN DURING 1971

Over the past year we have all been acutely aware of the decline in the state of our economy. Inflationary conditions prevail, the stock market is depressed, interest rates are up (although they are coming down bit by bit), and money is still tight.

The overall general economic outlook is not good, and industry throughout the country is facing a severe cost-price squeeze. Major cost reduction steps must be taken to protect present investments in plants and equipment and to insure future ability to sustain operations on a long-term, continuous basis. The time has come to tighten the "corporate belt."

At Great Northern specifically, major production costs--fuel, labor and transportation--have increased drastically over the past year.

And, at the same time, it has been impossible to raise the prices of our various products proportionately in order to offset the excessive costs of doing business on a competitive basis.

Although there is no single solution (continued on next page)

Production for the 12 months ended December 31. . . .

Productions	1970		1969	
	Tons	Daily Avg.	Tons	Daily Avg.
Cedar Springs	699,520	2,047	710,053	2,064
East Millinocket	383,607	1,072	380,925	1,059
Millinocket	323,889	906	317,687	883
	1,407,016	4,025	1,408,665	4,006

to the problem, steps can be taken to substantially reduce our present costs in order to sustain future operations and capacity.

Accordingly, Robert A. Haak, President, has requested that each Vice President review his 1971 budget in order to reduce costs in all areas.

"Those companies that take the necessary preventative measures now to reduce costs," Mr. Haak said, "are the companies that will successfully weather this present economic crisis. And we at Great Northern fully intend to be one of those companies."

* * *

E&P Features Newspapers and the Retailer. The January 9 issue of EDITOR & PUBLISHER magazine was a special issue tailored to the interrelationship of newspapers and retail stores.

Including articles on retail advertising and newspaper-retailer relations, the magazine had a pressrun of more than 40,000--a new circulation high for E&P.

Copies are being sent to executives of the 2,700 department store groups operating more than 10,000 individual stores--89% of all U.S. and Canadian department stores.

In addition, individual newspapers have ordered 10,000 extra copies for distribution to retail advertisers in their market areas.

In order to capitalize on the benefits of this special issue and to reach the primary markets for our Palette + Plus colored papers, Great Northern placed a unique advertisement.

Through the cooperation of the Manufacturing, Research & Development and Sales departments, we were able to invite the readers of E&P to make a unique comparison.

The same ad printed with black ink on regular newsprint was also printed on Dark Orange Palette + Plus, using standard red and green inks.

The ads, which were full broadsheet size and folded to fit, were placed side by side and tipped into the magazine.

This feature made it possible to compare the powerful impact of color with black and white--a comparison of great importance to the retailer.

The slight increase in the cost of Palette + Plus paper over regular newsprint is offset by the economies of combining colored inks on a colored substrate, as well as by the amount of increased consumer buying that will result from effective advertising. Newspapers will also profit from the increased ad volume.

The Paper Industry: API's Year-End Statement. Paper and paperboard production exceeded 50 million tons for the third consecutive year, reports the American Paper Institute.

Production during 1970 amounted to 52-1/2 million tons. While this is 2.5% below the all-time high of 1969, it is 3.4% above the previous record of 1968.

In a year of general economic decline, paper production was off 1%, paperboard off 3.5%, and construction grades off 6%.

The year 1970 marked a high in the paper industry's expenditures on new plant and equipment, with a total estimated at \$1.63 billion.

Data published by the U. S. Department of Commerce indicate that capital expenditures by the paper industry are expected to be some 8% below the 1970 average in the first quarter of 1971.

Other surveys indicate that the expenditure trend for the remainder of the year will probably be downward.

However, capital expenditures in the paper industry on air and water pollution abatement facilities are climbing sharply, and are expected to continue to increase during 1971 despite the declines in total capital outlays.

Use of the products of the paper industry is so broad that the trend of the total economy greatly influences the trend of the paper industry, API noted.

The growth in domestic consumption in paper and paperboard in the '50's and '60's equalled the growth in total economic activity. And, accordingly, paper industry figures now reflect the decline in general economic activity in 1970. Similarly, the economic trend in 1971 will undoubtedly influence the trend of paper industry production and consumption.

* * *

More --- and Less. According to recent study sponsored by the American Newspaper Publishers Association Foundation the number of people employed by

daily newspapers in this country rose from 248,500 in 1947 to 373,200 in 1970.

This represents an increase of 50.2%, while national employment during the same period went up only 37.5%.

On the other hand, the unemployment rate in New England rose to 6.4% during October, 1970--the highest in seven years according to a Federal Reserve Bank of Boston report last month.

And Maine led the unemployment rate in New England, with 6.8%. The national unemployment rate for October was 5.6%.

* * *

TAPPI, SFI and CPPA Schedule Annual Meetings. Discussion on the use of outside research organizations, information retrieval, and top management attitudes toward R&D will take place during a feature session on "Research Management" at TAPPI's 56th annual meeting, February 22-25 at the New York Hilton.

William H. Aiken, Vice President-Technology, Union Camp Corporation, will receive the 1971 TAPPI Medal. This is TAPPI's highest honor, and is awarded for achievements that have contributed to the technical progress of the pulp, paper and paperboard industry.

Also featured during the four-day meeting will be the 10th annual Pulp and Paper Industry Exhibit, which will include displays of the latest equipment, apparatus and chemicals used in the industry.

The 1971 Annual Meeting of the Southern Forest Institute will be held in Atlanta, February 16-17.

The theme of this meeting is "Winning Support for Tomorrow's Southern Forests," and speakers will consider how public opinion is affecting decisions on forest management and taxation, as well as withdrawals of forest lands for uses other than timber harvesting.

The Canadian Pulp and Paper Association will hold its annual meeting in Montreal, January 26-29.
(continued on next page)

Featured at the meeting will be an Education Committee session, "Industry--How the Students See It," which will include a discussion on student antagonism towards industry, its aims and its activities.

* * *

Demand for Newsprint to Grow 34% in the 1970's. Daily newspapers, especially those in suburban areas, are expected to become larger--keeping this part of the paper industry busy in both the U.S. and Canada.

According to ANPA, "The years 1970-75 promise to be a period of substantial growth for newspapers and newsprint consumers."

During the 1960's, the newsprint segment of the paper industry saw consumption grow 33%, and an anticipated 34% growth is expected during this decade--an annual rate of 3-4%.

Generally, the growth trend of newsprint parallels that of real gross national product--reflecting economic ups and downs, particularly those in the newspaper field.

Predicasts, Inc. (Cleveland) notes that per capita consumption of newsprint was relatively constant at 80 pounds per year during the early '60's as growth was braked by major newspaper strikes, mergers, failures and the rising competition for advertising dollars from TV.

The upward trend resumed in the mid-'60's, sending per capital use of newsprint to 96 pounds in 1969. By 1980, it should be at 114 pounds.

For 1970, most newsprint forecasts indicate only a slight gain, if any. In November, Charles D. Tiedemann, Newsprint Sales Manager, told INDUSTRY WEEK that "newsprint consumption has been down as much as 4% in the Eastern markets Great Northern serves. Everyone has been cutting back on ads, which means smaller papers."

Crown Zellerbach Corporation (San Francisco) noted that "while newspapers generally have grown substantially in its regional marketing area, the biggest gains have been by those in the suburbs."

CZ also sees a continued trend to offset printing, especially by the small dailies.

* * *

"Paper Industry Puts Its Money Where Its Mouth Is." A major environmental statement describing the part played by the paper industry in protecting the environment was released by the American Paper Institute in November.

Expenditures approaching \$500 million already made for water quality protection and unprecedented budgets for the years 1970-72 indicate the intensity of the industry's effort to abate water pollution.

The API report reveals that the paper industry's annual capital expenditures for water pollution control equipment and facilities are now running far ahead of the rate said to be needed by the Federal Government just a year or two ago.

In 1969, the Department of Interior stated that between then and 1973, the paper industry would have to spend \$25 million annually to meet requirements.

To date, projected capital outlays by the paper industry for water pollution control are \$113 million for 1970; \$146 million in 1971; and \$177 million in 1972.

Since 1960, Great Northern Paper Company has spent approximately \$15 million on pollution control programs, and anticipated expenditures during 1971-72 amount to \$3 million.

Among the significant industry-wide results in water pollution control are sharp reductions in the solids content of paper mill effluents, as well as increasing reuse of water in pulp and paper production.

(continued on next page)

In the area of forest management, API reports that since 1960 over three billion trees have been planted by paper companies. Extensive ground preparation for natural reseeding has also been accomplished, and research is being undertaken to increase growth rate.

One major section of the API report, dealing with the recycling of waste paper, states that 20% of the paper and paperboard consumed in the United States is reclaimed and reused.

In summary, API reports that while new laws and the national emphasis on ecology have hastened the installation of anti-pollution equipment, company managements have long regarded environmental planning as an inseparable element in sound business policy.

That recognition is demonstrated by the paper industry's support for the past 27 years of the comprehensive environmental research projects undertaken by the scientists and engineers of the National Council of the Paper Industry for Air and Stream Improvement.

NORTHERN DIVISION

Tree Farm Dedication. Maine tree farm acreage passed the 3 million mark on December 14 with the dedication of 79,548 acres of timberland jointly owned by Great Northern and the Pingree Heirs.

Most of the land, which was dedicated before the Eastern Maine Forest Forum, is located near Caucomgomac and Allagash Lakes.

Tree Farm certificates and signs were presented by the Maine Tree Farm Committee and the American Forest Institute.

(According to AFI's definition, a Tree Farm is privately owned, tax-paying forest land protected and managed for the production of repeated crops of forest products. These tree-growing units also provide watershed protection, better food and habitat for wildlife and opportunities for outdoor recreation.)

Maine now leads New England in Tree Farming with 17 million acres of forests on 874 Tree Farms having an aggregate Tree Farm acreage of more than 3 million.

The Pingree family's interest in forestry dates back to the 1840's when David Pingree, a shipping merchant in Salem (Mass.), started to buy land in Maine.

Today the Pingree Heirs own 284,417 acres in the Tree Farm program. Of this, 71,643 acres are jointly owned with Great Northern.

According to Seven Islands Company of Bangor, managers of the Pingree lands--both totally and jointly owned--"individual tree selection wherever possible is the guiding harvesting principle." This method calls for the removal of the largest, defective and damaged trees, and leaves the young, fast-growing trees standing. Thus, growth is accelerated, quality improved, and the end result is a genuine forest.

Great Northern has practiced scientific forest management for more than 70 years and operates the largest Tree Farm within the boundaries of one state--1.4 million acres.

* * *

Heavy Snows. Although total snowfall to date for 1970-71 is only five inches more than the comparable period in 1969-70, we have not had the usual warm days and rainfall that serve to settle and compact snow.

On December 30, 1969, there were 14 inches of standing snow in the Millinocket area, while on December 30, 1970, we had 33 inches--nearly two and one-half times as much.

As a result of the heavy snow experienced this winter, cutting production has been reduced. Crews are slowed down in getting from tree to tree, and additional time is lost in tramping down the snow in order to cut at the swell of the tree bole (i.e., base).
(continued on next page)

Another problem encountered during the winter months is the difficulty in starting up vehicles and cutting equipment in the morning because of the cold. Temperatures have been as low as 40° below zero.

* * *

A new broke system for No. 2 Paper Machine at Millinocket was started up on December 10.

Located in the basement under No. 2, the system consists of a 16,000 gallon tile chest and associated agitators, piping and consistency loops.

According to the Central Engineering Department, the installation reduces broke losses when running colored grades, and has increased broke storage tonnage capacity for No. 2 Paper Machine.

* * *

Mill Air Compressor. A new Ingersoll Rand 3,000 SCFM Air Compressor started up at Millinocket in December.

The new equipment has replaced three portable compressor units used to supplement the mill air system, and provides a permanent, reliable source of compressed air.

* * *

Surplus Material Use Saves Dollars.

An example of the cost savings that can be made by checking surplus material lists has been shown by the Engineering Services Department in their Capital and Repair Job construction program.

In the six-week period from November 9 to December 18, savings in excess of \$19,000 were achieved by the use of surplus materials.

These materials included such items as piping, valves, shafting, insulation, structural steel, couplings, and stair treads.

Sales Forecasting. The Administrative Services and Sales Departments have announced that a major systems and programming effort has resulted in the successful implementation of a new Sales Demand Forecasting System on the computer in Millinocket.

This project is designed to utilize customer grade and destination information to provide each salesman with a monthly forecasting report, which in turn will enable him to submit a continuous 12-month sales forecast on a monthly basis.

Each salesman will now be able to review and evaluate his initial forecast up to 12 times before the forecast month becomes current.

Future use of this information will involve the processing of the forecast tonnage through a linear programming model to project a manufacturing plan based on standard machine and cost considerations.

A systems project team is presently developing the manufacturing and linear programming phases of this plan and expects to implement this arm of the total system in early 1971.

* * *

A Commercial Sales Meeting was held in New York on December 7. Included on the day's agenda was a discussion of the "State of the Economy and Business 1971" by Joseph V. Carena, General Sales Manager, who noted that "past success has lulled us into a feeling of optimism that has sometimes resulted in complacency and over-confidence. Difficult times are imminent and we are faced with the need to better organize, reduce costs, increase sales, and widen marketing opportunities."

The meeting was hosted and moderated by William E. Cozens, Commercial Sales Manager, who stressed the necessity of "staying close to our accounts."

Other items of business included an in-depth explanation of the Gate Roll Coater, new Astro-Lith, and colored papers.

Long Hair -- Fashionable But Hazardous. Due to the Company's concern for employee safety within the Millinocket Mill, all employees with long, free-flowing hair are now required to wear hair nets. (This program has been successfully in effect at East Millinocket for more than a year.)

It is important that long hair be protected from the moving parts of the machines.

In addition to the danger of direct contact with the machine, which may occur when an employee leans over, heavy charges of static electricity can lift long hair into the moving belts and rolls.

Hair nets are available at the Mill Personnel Office and will be issued on a one-time basis only. After the initial issue, employees will have to provide their own hair nets.

SOUTHERN DIVISION

A new IBM 360 Model 25 tape and disk computer system is now on-line and operating at the Cedar Springs mill.

The conversion to this new equipment from the IBM 360 Model 20 card computer system was supervised by the Administrative Services Department.

The new system has three times the core memory, and the tape and disk drives enable the computer to handle both large and small data files more efficiently.

The primary objective of the Model 25 is to provide data processing capability for several additional applications, as well as pick up two applications now being handled by a service bureau.

The new applications include stores and pulpwood inventory control, sales analysis and profitability models, preventative maintenance scheduling, detail costs and product grade run costing, and transportation analysis.

Tree Planting Delayed. Due to a lack of soil moisture, tree planting in the South--which usually begins about December 1--had to be delayed until the 15th of December.

Reforestation activities must take place during the winter months when the seedlings are dormant. If, however, the soil is dry, the seedlings will lose their stored moisture and die.

Widespread rains occurring in mid-December permitted planting contractors to begin reforestation operations.

Ten planting units will be used to reforest approximately 9,000 acres. Each unit requires two men and consists of a tractor and mechanical planting machine.

The tractors are equipped with front mounted plows, 36" wide, and are used to clear the planting rows of logging slash and debris.

More than 6 million pine seedlings will be planted during this season. If weather and moisture conditions continue to be favorable, the planting should be completed by mid-March.

* * *

Sportsmen Use GNP Lands. More than 90% of the Company's lands in the South are open to the public, and sportsmen in Georgia, Florida and Alabama are enjoying our lands in these three states for hunting and fishing.

Game species include deer, turkey, quail, squirrel and rabbits. Fishing is most popular along the smaller streams.

According to James W. Richardson, Woodlands Manager, the public is encouraged to use our lands for recreational purposes as long as they abide by State and local regulations.

Visitors to GNP lands, he noted, "have been considerate of Company property, and to date fires have not been a problem."

MANAGEMENT NOTES

"Good-bye to the Company Way." (Excerpted from an article by Daniel Gray, THE BUSINESS QUARTERLY, Autumn 1970.)

The history of business organization in the United States presents a gallery of stereotypes: Poor Richard, Horatio Alger, the Robber Barons, Babbitt, the Last Tycoon and the Organization Man.

Now a new type is evolving, not yet clear enough to be caricatured, or even fully characterized.

Exciting to some eyes, dismaying to others, he is emerging in response to new organizational concepts and needs, new economic and technological realities and new social and philosophical pressures.

He is being shaped by such ideas as coalition, consent, compromise and collaboration, where his predecessors took form in a system of power, prerogative, deference and loyalty.

What the new type and his predecessors have in common is the continuing search for organizational "nirvana"--variously called solidarity, unity, coordination--a kind of completeness in which everything necessary is optimally done, sufficiency is neither missed nor exceeded, and responses to change are both timely and appropriate.

Where the emerging organizational type differs from most of his predecessors is in the use of managerial ingenuity and constructive policies in making a coalition of contractually interdependent people with different goals add up to a coherent, profitable whole.

The new organizational approach calls for changes in such basic processes as planning, systems of payment and motivation, delegation of tasks, coordination and the use of authority.

Today, planning is considered as a form of exploration of options, contingencies, constraints and probabilities. The new approach allows for continuous reconstruction of plans within a loose, general strategy, in response to continuous interaction with the environment.

Young leadership today considers

itself participative rather than paternalistic. A company-wide system of group problem-solving and group rewards encourages participation and innovation.

Coordination, delegation and commitment are factors that must also be understood and applied. And what promises to keep the new organizational currents running strong is the relentless pace of change in our society.

The best way to cope with change is to identify with motion--with process more than with content, with learning more than with knowledge, and with organizing more than with organization.

" P E R S O N N E L I T I E S "

NEW EMPLOYEE

C. DARRELL SMITH has joined the Southern Division Technical Services Department as Environmental Control Engineer.

PROMOTIONS

ROBERT R. CHAPMAN has been promoted to Green End Foreman at Great Northern Plywood Company.

* * *

MILTON W. DILMORE has been promoted from Green End Foreman to Green End Superintendent at GN Plywood.

* * *

H. BARRY THOMPSON, JR. has been promoted from Accountant at GN Plywood to Cost Accountant, Controller's Department, GNP Southern Division.

TRANSFER

ERNEST L. DANIELS has transferred from Billing Supervisor, Southern Division to Accountant, GN Plywood.